brought to an end. The Green machine is not an isolated political dictatorship, self-sustaining and self-protected. It is sustained by its connection with the national administration, with its patronage, with its political power, with its money power. It is protected by the same connections.

The best way to whip the Green machine, to return local government to the people is to return the National Government to the people. The same is true of the situations in western Pennsylvania, in Allegheny and Westmoreland Counties. Sever the links of political corruption that bind Washington to the bosses, and decent men and women everywhere will have a chance, their best chance to clean up the messes in their cities, towns, and counties.

And always remember this: the job can only be done through the Republican Party. No matter how decent the Democrat who is elected in an attempt at local reform, the power of the machines, hooked into the socket of power in Washington, will send his hopes up in a puff of smoke. Democrats who want to do something find that they can't—not through the Democrat Party. It will take Republicans to do the job, and all who are interested in seeing the job done must vote for them.

It takes, to sum it up, Republican principles to do the job—principles that start with dedication to local government and local responsibility, principles that are not shackled to narrow interests but are pledged to national interests, principles that aim toward the revitalization of local government rather than aiming at its destruction.

This is a basic theory of government that is involved. On the liberal Democrat side there is the principle of centralized power and subordinated people. On the Republican side there is the principle of limited power and responsible people.

Republicans sometimes are criticized for regional concentration when rising new strengths in any part of the country find the voters there thinking Republican and voting Republican. Republicans should not apologize for this. They should be proud of it. The truth is that wherever industry is growing, wherever people are making new homes, wherever men and women are trying to make a good future, they are thinking Republican. It is not race or region that is forming the great new shifts in American politics—race and region are the domain of the Democrats. The Republican shift is formed of people in every class, of every race, in every region who are tired of the tired old cliches of the Democrats, tired of the planned deficits, the planned dependency, the formless goals and the goading of power.

No, it is not Republicans who are grasping at regional straws. It is the New Frontier Democrats. It is they who remain frozen in the most barren regional wasteland of all—the regions of machine manipulation and boss domination.

What is the liberal Democrat wasteland like? What is its weedy and seedy reality, the reality behind all of the glowing talk of the New Frontier?

It's the Democratic city committee in Philadelphia refusing to turn over its financial records to a special grand jury investigating city hall scandals. It's falsified requisitions to cover shortages in city funds. It's zoning applications mysteriously granted. It's judges clamping legalistic lids on probes of Democrat scandals. It's attempts to force State employees to contribute percentages of their wages to the Democrat Party. It's the forced resignation of investigators assigned to probe the mess.

It has its moments of high irony as well. Listen, for instance, to Democrat Judge Joseph Gold, as quoted in a leading newspaper, criticizing a member of his own party, Joe Clark, for suggesting that some Democrats are tied in with racketeers. How did the good judge defend his party? Let me quote him: "For 6 months prior to election day, Joe Clark, by his own confession, silently accepted the support of racketeers outside of Philadelphia. After his election, he denounced these sinister elements without whose aid he might not have been reelected."

What a typical defense. And also how typical in that it pits Democrat against Democrat in the jungle that grows just a few figurative steps behind the manicured lawn of the White House.

But look deeper into the Democrat wasteland: crime in the cities, rampaging while showcase displays of this or that hoodlum are expected to divert our eyes from the festering corruption.

Look at western Pennsylvania where a handful of conscientious policemen tried to break up a gambling complex. How did the liberal Democrat officials respond? Two of the policemen were assigned to cleaning out stables. Another was sent to pound a beat. Another was sent to supervise parking at a skating rink. Again, what a typically Democrat reaction.

And still the wasteland grows and flourishes thanks to its connection with Washington. Still, the contradictions between the big talk of the big boss and the petty, corrupt reality of his little-boss supporters. In Washington, we hear a lot of talk about helping young people. But how does this inspirational leadership work in the boss-controlled cities? Bill Devlin can tell you how. Describing the situation in Philadelphia recently, he said that "public servants are setting an example to our children of corruption instead of leadership. To children, these people have created an image and destroyed their morals."

Why haven't the Kennedys sent a Peace Corps in to clean up that sort of backwardness? The answer is obvious. They can't. They have seen the conservative mood of America wash away their support across the Nation, they see the waves of discontent lapping even at their fortress cities. They must and they will draw ever closer to the political bosses, and the bosses to them. It means their political survival and, as in any jungle, that is the highest law they know.

Principles are mere slogans in such a jungle. National interests are mere trading stamp bonuses when self-interest comes first.

Given a choice between the country and the clan, has the national Democrat leadership ever chosen the country? Will they? Can they?

When it comes to choices, their choice is clear: government of the Kennedys, by the Kennedys, and for the Kennedys.

And for anyone who would make a different choice, the course is clear: return the government to the people. And the way is clear: the election of Republicans in the towns, the cities, the States, the Congress, and the White House in 1964.

Republicans were able, once, to inspire the world with the concept of open skies—a concept which must be revived before the world is forever walled off into separate accommodations for the free and for the captive.

I say Republicans have another challenge right at home. To inspire all decent men and women, regardless of their party, with a concept of open cities; American cities open to the fresh air of political freedom, open to growth and prosperity and change, open to the energies of citizens who want to save their homes and build their future, open to safe streets, sound schools, and honest accounting.

It is not open skies that mark the Democrat New Frontier around the world. It is closed deals.

It is not open cities that mark the national administration at home; it is closed wheeling and dealing.

It is the historic task of the Republican Party in the years ahead to inspire integrity at home and rebuild the leadership now being lost around the world.

We can do this because we are a truly national party, undivided by the borders of political baronies. We can do this because we are a party united in principle, not shackled to the conformity of one man's dogma.

We can do this because Republican interests are American interests, because our faith is in freedom, and our freedom is in the people—in the sacred rights of the individual.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 31, 1963

The House met at 12 o'clock noon.

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

Psalm 128: 1: *Blessed is every one that feareth the Lord; that walketh in His ways.*

O Thou who wert the God of our fathers, who trusted in Thee and were not confounded or put to shame, help us to believe that the faith which supported them in their days of trial and tribulation is abundantly able to sustain us.

It inspires and fortifies us to know that Thou art with us in these troublous days to give courage and comfort and strength to conquer and cast out all those moods of doubt and despair to which we are tempted to surrender.

We humbly acknowledge that our human souls, alike in their sin, their sorrow, and their search for peace, often fail to understand that Thy ways and Thy divine will are the only foundation and basis on which to build a better world.

Grant that daily we may put forth a faithful and heroic effort in behalf of a social order which has in it more of discipline and self-denial, of partnership and cooperation, of peace and good will.

Hear us in Christ's name. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

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

H.R. 1049. An act to amend sections 334, 367, and 369 of the Bankruptcy Act (11 U.S.C. 734, 767, 769) and to add a new section 355 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XI (arrangement) proceedings to the time prescribed by section 57n of the Bankruptcy Act (11 U.S.C. 93n);

H.R. 1311. An act for the relief of Joian Berczeller;

H.R. 1345. An act for the relief of Peter Carson;

H.R. 2260. An act for the relief of Mrs. Rozsi Neuman;

H.R. 2445. An act for the relief of Mrs. Barbara Ray Van Olphen;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H.R. 2754. An act for the relief of Mercedes Robinson Orr;

H.R. 2757. An act for the relief of Woo You Lyn (also known as Hom You Fong and Lyn Fong Y. Hom);

H.R. 2835. An act to clarify the status of circuit and district judges retired from regular active service;

H.R. 2968. An act for the relief of Kazimierz Kurmas and Zdzislaw Kurmas;

H.R. 2985. An act to amend section 1391 of title 28 of the United States Code, relating to venue generally;

H.R. 3384. An act for the relief of Lee Suey Jom (also known as Tommy Lee and Lee Shue Chung);

H.R. 4145. An act for the relief of certain individuals;

H.R. 6097. An act for the relief of Dr. Pedro B. Montemayor, Jr.;

H.R. 6260. An act for the relief of Wai Chan Cheng Liu; and

H.J. Res. 626. Joint resolution granting the consent of Congress to the establishment of an interstate school district by Hanover, N.H., and Norwich, Vt., and to an agreement between Hanover School District, New Hampshire, and Norwich Town School District, Vermont.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

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

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

S. 26. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah, and for other purposes;

S. 716. An act for the relief of Gaetano Fuccio;

S. 741. An act to amend title 18, United States Code, to prohibit schemes in interstate or foreign commerce to influence by bribery the outcome of sporting contests, and for other purposes;

S. 1385. An act for the relief of George Alexander Doumani;

S. 1446. An act for the relief of Andreina Viselli;

S. 1451. An act to amend section 41(a) of the Trading With the Enemy Act;

S. 1479. An act for the relief of Dr. Demetrios Flessas and Dr. Eugenia Flessas;

S. 1516. An act for the relief of Ana Murgelj;

S. 1524. An act for the relief of Hai Yung Jung and Johnny Jung;

S. 1664. An act to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the United States, and for other purposes;

S. 1737. An act for the relief of Arthur Wendell Bolta;

S. 1812. An act for the relief of William John Campbell McCaughey; and

S. Con. Res. 66. Concurrent resolution withdrawing suspension of deportation of Joe Quong.

THE LATE TOM CONNALLY

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

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

There was no objection.

Mr. CANNON. Mr. Speaker, if in the 1930's or 1940's anyone had inquired here at the Capitol where he might find Thomas Terry Connally he would have been referred to the city directory. But if he had asked for Tom Connally he would have had anywhere here on the Hill an immediate and emphatic response.

I had not learned of his death and I regret that I was not on the floor when eulogies were in order yesterday. But I cannot let the occasion pass without a word of appreciation and regard.

It was my privilege to observe his service both in the House and in the Senate.

In a brief while he was a man of national and international reputation and achievement. And he left his imprint upon the history of the world.

It was my privilege to serve as his parliamentarian during his pinchhitting respite for the temporary chairman of the National Democratic convention. On that occasion, in a very practical and direct way, he avoided an incident which might under other circumstances have proved embarrassing both to the convention and the party.

He was not only able, competent, and resourceful but he was also a man of integrity and courage. He did not hesitate to take a position which at the time might have given pause to a less determined partisan in opposition to a formidable administrative campaign to pack the U.S. Supreme Court.

When the United Nations treaty was before the Senate, disregarding protests of those in charge of the negotiations he proposed and secured a vital limitation since known as the Connally amendment, for which every American has been grateful in every world crisis since it became effective.

He was a world figure, but he never lost his love or retracted his allegiance to the Lone Star State. It was his statement—often quoted under other circumstances since that time—that he was 21 years old before he knew that "damn Yankee" was two words. But he said it jocularly and whenever the interest of the country was at stake, he was neither North nor South; he was neither East nor West. He was American.

COMMITTEE ON BANKING AND CURRENCY

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Bank Supervision of the Committee on Banking and Currency may be permitted to sit during general debate today.

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

There was no objection.

CIVIL SERVICE VIOLATION

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, under the pretense of improving the merit system in Pennsylvania, there have been wholesale dismissals of State civil service employees with no regard for the service they have rendered and with no concern for the suffering that has resulted to the families of dismissed workers.

Gov. William W. Scranton has referred to these dismissed persons as "political hacks" and has replaced them without regard to their qualifications. Many of these dismissed employees were working on projects financed in whole or in part by Federal funds. For that reason, Mr. Speaker, I feel that the U.S. Civil Service Commission should investigate possible law violations at Harrisburg.

Last week the Pennsylvania Republican Club, of which Gov. William Scranton is president, sent letters to all State employees, including faculty members of State colleges and State policemen, soliciting funds for the Republican Party.

Mrs. Emma Guffey Miller, Democratic national committeewoman, who is a trustee at Slippery Rock State College, made a strong protest against such unprecedented solicitation. Mrs. Miller, who has a keen understanding of the history of Pennsylvania and its politics, stated that never before in history, under either Republican or Democratic administration, has the faculty, maintenance or service personnel of our State colleges ever been forced into a political campaign. She added that this change in policy by the Scranton adminstration represents a serious threat to our State colleges, and that unless this crass and unprecedented encroachment into the academic and political freedom of the faculty and staff is halted and reversed by Governor Scranton, present and future students will suffer the unfortunate consequences.

Governor Scranton's name appears as club president on the top of the letter pressing for contributions to the club.

Let me present, Mr. Speaker, a news article which appeared in the New Era, a weekly publication of Reading and Berks County, Pa., which gives in detail what is happening to State employees in our State:

GOP ACCUSED OF MACING STATE WORKERS: SCRANTON HEADS APPEAL FOR "DUES," PAYROLL LIST USED

Hundreds of State employees in the area of Berks and neighboring counties—many of them members of AFL–CIO unions—have been "invited" by Governor Scranton to pay dues into the Pennsylvania Republican Club—"voluntarily," of course.

The letters were mailed to a list of State employees—admittedly taken from the State payroll records in Harrisburg. They even went to Pennsylvania State police and to such departments as public welfare which were supposed to be free of politics.

There was no mistaking the intent of the letter.

Craig Truax, Republican State chairman signed it.

Frank C. P. McGlinn, Republican finance committee chairman, signed it.

The letter spelled out the fact that Governor Scranton is president of the statewide Pennsylvania Republican Club.

And the letterhead made it clear that Operation "64" is designated to "Keep Pennsylvania Republican."

As a further inducement for State employees to "give," the Harrisburg political

machine enclosed a return envelope with postage prepaid. State employees were given the choice of paying $5 "regular" dues; $10 "associate"; $25 "sustaining"; $50 "contributing," or $100 or more, "century."

Exposure of the fund-raising effort through State employees led to "macing" charges by Democratic State Chairman Otis Morse.

The macing charge was repeated last Friday in Berks County by State Senator Paul W. Mahady who made a personal appearance as a candidate for judge of State superior court.

Morse also filed a request with Attorney General Robert Kennedy for an investigation.

"On the face of the matter," said Morse, "there is an implied threat to the continued employment of these individuals. Much deeper is the fact that the present Republican administration with its majorities in the legislature pushed through a so-called civil service bill which puts thousands of employees who had undergone competitive examinations and who were working under a merit system, on an 18-month probationary period during which they can be dismissed at the discretion of their immediate superior or presumably from a county chairman."

Morse then cited a memo from Scranton to the State police commissioner (an import from Florida) which said that "invitations" to kick in to the GOP slush fund were a "mistake" since the State police were not to be involved in partisan politics.

"The Governor's words," declared Morse, "indicate his apparent belief that civil service employees under the department of public welfare (mental hospitals), the Pennsylvania Highways Department, the Bureau of Employment Security, the Department of Health, and the Pennsylvania Liquor Control Board are legitimate targets for this thinly veiled appeal and will be expected to participate in partisan politics and in political fundraising."

Many State employees who felt they were being subtly coerced to contribute to the Republican State organization to help finance Scranton's presidential bid, cited the State Civil Service Act as banning any form of political activity by civil service classified personnel.

The letter emphasizes that "No Republican President has ever been elected without Pennsylvania's electoral vote."

"It could happen, of course, but if we win Pennsylvania our chances of changing the occupant of the White House are much stronger," the letter asserted.

"Your application for membership in the statewide Pennsylvania Club, under the presidency of Governor Scranton, is enclosed. Club dues start at $5—but we urge you to join in the category that you can afford, knowing that every dollar you send will be used to support your Republican organizations, and to begin building the campaign fund that we'll need to win in 1964.

"We all have an important stake in keeping Pennsylvania Republican. This is your opportunity to help. Put the enclosed application in the mail today with your check—and get your charter membership card in operation 64."

Nowhere in the letter is there any statement that such giving is voluntary.

It seems to me, Mr. Speaker, that a thorough investigation of these practices should be conducted by the Civil Service Commission. What is happening in our State is not only evil and wrong, but it is an insult to the intelligence of our citizens who are being told that such efforts are to promote a good merit system in Pennsylvania.

SECRETARY OF THE AIR FORCE, EUGENE M. ZUCKERT

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

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

There was no objection.

Mr. SIKES. Mr. Speaker, this month, the Honorable Eugene M. Zuckert achieves the distinction of having served as Secretary and Assistant Secretary of the Air Force longer than any previous incumbent in those positions. President Kennedy named him to the post of Secretary in January 1961, after a long and distinguished career in law, business, and Government service. His career highlights include: Pioneering efforts in many aspects of civilian uses of atomic energy; membership on the faculty of the Harvard Graduate School of Business Administration; Assistant Secretary of the Air Force under the first Air Force Secretary, now Senator STUART SYMINGTON of Missouri; membership on the Atomic Energy Commission; and many important advisory posts in the defense field. A native of New York City, he received his law degree from Yale University.

As an Assistant Secretary of the Air Force, from 1947 to 1952 Mr. Zuckert was one of the principal architects of the organization and the control systems of the Air Force when it became a separate service.

During this period of time, under the civilian leadership of Mr. Zuckert and the military leadership of General LeMay, the Air Force has developed the missile program into a fully operational capability. It has built up its tactical air strength, its counterinsurgency forces, and has more than doubled its airlift capabilities.

A forceful and dynamic personality, Secretary Zuckert possesses boundless energy and a great dedication to the responsibilities of his office. He is one of the really strong leaders in Government. I congratulate him upon his noteworthy achievement of longevity of service and upon the distinctive and outstanding caliber of that service.

NATION IS MOVING FORWARD?

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

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

There was no objection.

Mr. GROSS. Mr. Speaker, President Kennedy, in a political speech last night in Philadelphia, says the Nation is moving forward.

Yes, Mr. Speaker, things are moving but not necessarily forward.

Bobby Baker has been moved out, and Ellen Romesche has been moved back to Germany.

The Russians have been requested to move some of their espionage agents from the United Nations.

Judge Landis, onetime Kennedy adviser, and Herbert May, onetime Assistant Secretary of State, have moved to pay their long delinquent Federal taxes.

Secretary of the Navy Fred Korth, of TFX contract fame is on the move back to Fort Worth.

And last but not least, the House will move next week to again increase the debt ceiling.

Yes, Mr. Speaker, we are on the move.

NAVY SECRETARY FRED KORTH

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

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

There was no objection.

Mr. KYL. Mr. Speaker, this is the final day of duty for Navy Secretary Fred Korth. In leaving the office, the Secretary leaves behind a cloud of uncertainty.

His very leaving, after an unconclusive investigation, makes him suspect in the eyes of many citizens. If the Secretary is innocent of any conflict of interest, the clarification must be available. If guilty of such conflict, the fact should certainly be known. If there were errors in the TFX affair which cannot be placed on Mr. Korth's doorstep—this fact should be known.

Title 18, section 434 of the code defines conflict of interest. The statute has been interpreted by the Supreme Court, which said in the Dixon-Yates case, the statute is "more concerned with what might have happened in a given situation than with what actually happened."

Is this not a case for thorough investigation by the Department of Justice? And if it is, can we not expect such action immediately?

PERSONAL ANNOUNCEMENT

Mr. DON H. CLAUSEN. Mr. Speaker, on Monday, October 28, I was necessarily absent from the House participating in the American Forestry Association convention along with a number of my constituents. Had I been present and voting I would have voted "yea" on House Joint Resolution 782, making continuing appropriations through November and the RECORD shows that I was paired against House Resolution 314.

PINKOS AND NONPINKOS, PATRIOTS AND NONPATRIOTS

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

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

There was no objection.

Mr. FOREMAN. Mr. Speaker, in the last few days there have been several interesting news articles in the various papers and wire services concerning pinkos and nonpinkos, patriots and nonpatriots. There have been some misinterpreted stories and some misunderstandings and there have been some regrettable situations happening here on the floor of the House. As a matter of clarity and information, I intend to address the House for 1 hour this afternoon to talk about some of these situations and some of you who may have been called pinko in the newspaper or who might not have been called pinko in the newspaper, if you care to be here, I will try to explain just who was covered and who was not covered in these charges. Thank you.

OATH OF ALLEGIANCE

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

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

There was no objection.

Mr. BASS. Mr. Speaker, at the beginning of every Congress each Member of the House is required to raise his right hand and swear to uphold and defend the Constitution of the United States. He also must sign a certificate to that effect. I bring that to your attention because I want to point out a situation that I very much deplore. That is, the increasing practice of some so-called patriotic publications and groups that call themselves constitutional groups, and that sort of thing, who go around and say that a certain Member of Congress voted against the Constitution. I do not know how this can be stopped. I think on the face of it, it is libelous, and I would like to see it tested in the courts. I do not intend to make this test myself because one of these constitutional flag wavers ran against me last time and got only 14 percent of the vote and hardly scared me to death. My people understand the Constitution, but there might be some people in the United States who might be fooled by this sort of hogwash. These same kind of political thinkers call former President Eisenhower, and Secretary of State Dulles Communists and traitors.

SMEAR TACTICS

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

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

There was no objection.

Mr. HAYS. Mr. Speaker, I have been reading in the press about various people being called pinkos, Communists, and what-have-you by other Members of the House. I have never stooped to calling anybody a Communist or any other vile name, but I would point out, having some knowledge of communism, that one of the Communists' chief tricks and one of their chief tactics, as well as the Nazi murderers' principal tactics, was to call somebody they disagreed with a dirty name such as a Communist or for a Communist to call someone a Nazi. I wonder if those who play this game should not be suspect as to their own political philosophies? In other words, the big lie technique.

PETITIONS FAVORING THE BIBLE READING AMENDMENT

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

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

There was no objection.

Mr. CLARK. Mr. Speaker, I am delivering to the House of Representatives petitions containing 22,000 signatures of citizens in my congressional district who favor the Bible reading amendment. I support this legislation vigorously and have signed the discharge petition to bring it to the floor of the House for a vote. I would appreciate it if these petitions may be given to the committee having jurisdiction over this legislation.

POLITICAL AND PATRIOTIC GROUPS

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

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

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, I am glad that my good friend, a member of the Committee on Ways and Means, the gentleman from Tennessee [Mr. BASS] talked about the patriotic groups and how he polished off his opponent the last time. I am wondering whether he is going to feel the same way about COPE, which says that you have two ways of voting; you either vote "right" or you vote "wrong," according to what the labor bosses think. If he will disregard that kind of campaign, then we can disregard all these others too.

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

Mr. DEROUNIAN. I yield.

Mr. BASS. I do not mind any organization saying to me or to any Member that he voted right or wrong. But I do deplore their saying that a Member of Congress is not upholding the Constitution. Anybody can come into my district and say that I voted right or that I voted wrong. I would not want them to go into the gentleman's district and say that the gentleman from New York did not uphold the Constitution, which he had sworn to uphold. I believe the gentleman would deplore that, too, as I believe the other 434 Members of the House would.

Mr. DEROUNIAN. Of course, when you are in the political game, as President Truman said, you have got to take some heat. My Democratic opponent the last time called me many worse things than merely saying that I voted against the Constitution.

Mr. BASS. I can take the heat, but I was referring to libelous statements that are made. I do not like to hear the patriotism of any Member of Congress questioned.

POLITICAL NAME CALLING

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

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

There was no objection.

Mr. BOGGS. Mr. Speaker, I should hope that the use of these terms would come to an end. This name calling has gone beyond all bounds and it is hurting our country.

I have in my hand an Associated Press report of remarks made on October 26 of this year, just last week. In a TV interview by Mr. Welch, the founder of the John Birch Society, we find this—the report follows in full:

WELCH REPEATS CHARGES ON EISENHOWER, DULLES

NEW YORK, October 26.—Robert Welch, founder of the John Birch Society, has reaffirmed his belief in former President Dwight Eisenhower's "treason" and that the late John Foster Dulles was a Communist.

In making the statements, he gave no supporting evidence.

He was interviewed on a television program Thursday night.

Moderator Clifford Evans, in prefatory remarks, said the John Birch Society is described by some as a "rightwing patriotic group devoted to stamping out the Communist conspiracy." Others, Mr. Evans continued, say it is "a witch-hunting organization engaged in irresponsible attacks on public figures."

One of the panelists asked Mr. Welch, "Sir, may I ask, have you changed your mind about the charge of Communist you once leveled at former President Eisenhower?"

"Well," he replied, "my only way of answering that is to tell you to read my book and judge for yourself."

Later, he was asked by another panelist, "Well, can I ask if you believe this statement which you wrote in the Politician? 'For Eisenhower there is only one word to describe his purposes and action. That word is treason.'"

"Yes," he replied.

Mr. Welch was asked also, "Do you describe John Foster Dulles (the former Secretary of State) as a Communist in it?" (the letter).

Welch: "I described John Foster Dulles as a Communist. I say he was a Communist."

Mr. Speaker, everybody knows that President Eisenhower is one of the greatest patriots who ever lived, and I think John Foster Dulles was one, as well. To call President Eisenhower a traitor and John Foster Dulles a Communist is to do the work of the Communists; this is an outrage.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 187]

Abele	Grant	Randall
Abernethy	Gray	Reid, Ill.
Adair	Green, Oreg.	Riehlman
Ashmore	Hagan, Ga.	Roberts, Tex.
Ayres	Harding	St. Onge
Baring	Herlong	Scott
Blatnik	Horan	Shelley
Bonner	Karth	Sheppard
Bruce	Kelly	Shipley
Buckley	Kilburn	Shriver
Burton	Kornegay	Skubitz
Byrnes, Wis.	Long, La.	Stafford
Celler	Macdonald	Stinson
Colmer	MacGregor	Taylor
Daniels	May	Thompson, La.
Dawson	Miller, Calif.	Thompson, N.J.
Diggs	Miller, N.Y.	Tollefson
Dingell	O'Brien, Ill.	Ullman
Dowdy	Pelly	White
Fraser	Pepper	Winstead
Fuqua	Pilcher	Wydler
Grabowski	Powell	

The SPEAKER. On this rollcall 365 Members have answered to their names, a quorum.

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

MILITARY CONSTRUCTION AUTHORIZATION, 1964

Mr. VINSON. Mr. Speaker, I call up the conference report on the bill (H.R. 6500) to authorize certain construction at military installations, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

Mr. VINSON (interrupting the reading of the statement). Mr. Speaker, in view of the fact that the statement and report have been published in the RECORD, I ask unanimous consent to dispense with further reading of the statement of the managers.

Mr. ARENDS. Mr. Speaker, reserving the right to object, and I shall not object, I hope the chairman will kindly explain the conference report. Although we are aware as to what is in it and we think it is a good conference report and urge its adoption, we hope the chairman will explain to the House the changes that have been made in conference.

Mr. VINSON. I intend to explain the conference report.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. NO. 882)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6500) to authorize certain construction at military installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I

"SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment for the following projects:

"Inside the United States

"Continental Army Command

"(First Army)

"Fort Devens, Massachusetts: Maintenance facilities, medical facilities, troop housing and community facilities, $1,091,000.

"Fort Dix, New Jersey: Operational facilities, maintenance facilities, medical facilities, administrative facilities, troop housing and community facilities, and utilities, $19,362,000.

"Fort Jay, New York: Utilities, $131,000.

"(Second Army)

"Fort Belvoir, Virginia: Training facilities, $1,083,000.

"Fort Eustis, Virginia: Maintenance facilities, and utilities, $297,000.

"Fort Knox, Kentucky: Operational facilities, maintenance facilities, medical facilities, administrative facilities, and utilities, $1,256,000.

"Fort George G. Meade, Maryland: Operational facilities, and utilities, $237,000.

"Fort Monroe, Virginia: Operational facilities, and utilities, $315,000.

"Fort Ritchie, Maryland: Utilities, $267,000.

"Fort Story, Virginia: Maintenance facilities, $890,000.

"(Third Army)

"Fort Benning, Georgia: Maintenance facilities, medical facilities, community facilities, and utilities, $3,665,000.

"Fort Bragg, North Carolina: Training facilities, maintenance facilities, supply facilities, medical facilities, troop housing, and utilities, $15,886,000.

"Fort Campbell, Kentucky: Operational facilities, maintenance facilities, supply facilities, medical facilities, and administrative facilites, $1,621,000.

"Fort Gordon, Georgia: Training facilities, $6,700,000.

"Fort Jackson, South Carolina: Maintenance facilities, medical facilities, administrative facilities, troop housing and community facilities, and utilities, $9,026,000.

"Fort McPherson, Georgia: Troop housing, $166,000.

"Fort Rucker, Alabama: Training facilities, maintenance facilities, hospital and medical facilities, and troop housing, $5,823,000.

"Fort Stewart, Georgia: Maintenance facilities, and utilities, $430,000.

"(Fourth Army)

"Fort Hood, Texas: Operational facilities, maintenance facilities, supply facilities, troop housing, and utilities, $7,018,000.

"Fort Sam Houston, Texas: Troop housing, and utilities, $216,000.

"Camp Wolters, Texas: Operational facilities, $257,000.

"(Fifth Army)

"Fort Carson, Colorado: Operational and training facilities, maintenance facilities, supply facilities, community facilities, and utilities, $7,355,000.

"Detroit Defense Area, Michigan: Maintenance facilities, and supply facilities, $654,000.

"Fort Benjamin Harrison, Indiana: Training facilities, troop housing, and utilities, $1,822,000.

"Fort Leavenworth, Kansas: Medical facilities, administrative facilities, troop housing and community facilities, and utilities, $2,493,000.

"Fort Riley, Kansas: Troop housing and community facilities, $861,000.

"Fort Leonard Wood, Missouri: Training facilities, maintenance facilities, medical facilities, troop housing and community facilities, $8,163,000.

"(Sixth Army)

"Fort Irwin, California: Training facilities, troop housing and community facilities, $1,715,000.

"Fort Lewis, Washington: Utilities, $610,000.

"Presidio of Monterey, California: Training facilities, $979,000.

"Fort Ord, California: Operational facilities, and community facilities, $1,295,000.

"Presidio of San Francisco, California: Supply facilities, $278,000.

"(Military District of Washington, District of Columbia)

"Cameron Station, Virginia: Supply facilities, $250,000.

"Fort Myer, Virginia: Operational facilities, maintenance facilities, and troop housing, $4,000,000.

"United States Army Materiel Command

"(United States Army Materiel Command, Headquarters)

"Natick Laboratories, Massachusetts: Research, development and test facilities, $3,408,000.

"(United States Army Missile Command)

"Redstone Arsenal, Alabama: Research, development and test facilities, and utilities, $4,211,000.

"(United States Army Munitions Command)

"Army Chemical Center, Maryland: Research, development and test facilities, $410,000.

"Fort Detrick, Maryland: Utilities, $89,000.

"(United States Army Supply and Maintenance Command)

"Atlanta Army Depot, Georgia: Administrative facilities, $49,000.

"Aeronautical Maintenance Center, Texas: Maintenance facilities, $1,754,000.

"Oakland Army Terminal, California: Medical facilities, $532,000.

"Pueblo Army Depot, Colorado: Utilities, $1,204,000.

"Sharpe Army Depot, California: Maintenance facilities, and utilities, $152,000.

"Utah Army Depot, Utah: Utilities, $88,000.

"(United States Army Test and Evaluation Command)

"Aberdeen Proving Ground, Maryland: Research, development and test facilities, troop housing and community facilities, $4,065,000.

"Dugway Proving Ground, Utah: Operational facilities, research, development and test facilities, $1,017,000.

"Fort Huachuca, Arizona: Operational facilities, and utilities, $849,000.

"White Sands Missile Range, New Mexico: Research, development and test facilities, and utilities, $1,248,000.

"Yuma Test Station, Arizona: Community facilities, $373,000.

"Signal Corps

"East Coast Radio Transmitter Station, Woodbridge, Virginia: Utilities, $88,000.

"United States Military Academy

"United States Military Academy, West Point, New York: Training facilities, and utilities, $2,291,000.

"Army Security Agency

"Two Rock Ranch Station, California: Operational facilities, and utilities, $222,000.

"Vint Hills Farms, Virginia: Operational facilities, and medical facilities, $1,306,000.

"Army Component Commands

"(United States Army Air Defense Command)

"Various locations: Operational facilities, maintenance facilities, troop housing, and utilities, $22,560,000.

"(Alaska Command area)

"Fort Richardson, Alaska: Maintenance facilities, $1,711,000.

"(Pacific Command area)

"Hawaii Defense Area, Hawaii: Operational facilities, $150,000.

"Schofield Barracks, Hawaii: Maintenance facilities, and utilities, $913,000.

"Fort Shafter, Hawaii: Utilities, $74,000.

"Outside the United States

"Army Materiel Command

"Various locations: Research, development and test facilities, $740,000.

"Army Security Agency

"Various locations: Operational facilities, supply facilities, administrative facilities, troop housing and community facilities, and utilities, $5,798,000.

"Army Component Commands

"(Pacific Command area)

"Japan: Utilities, $461,000.

"Okinawa: Operational facilities, supply facilities, troop housing, and utilities, $2,554,000.

"(European Command area)

"France: Operational facilities, and supply facilities, $3,666,000.

"Germany: Operational facilities, maintenance facilities, supply facilities, troop housing, and utilities, $9,485,000.

"(Caribbean Command area)

"Fort Buchanan, Puerto Rico: Real estate, $111,000.

"Fort Clayton, Canal Zone: Community facilities, $442,000.

"SEC. 102. The Secretary of the Army may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $8,900,000.

"SEC. 103. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $12,500,000: *Provided*, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1964, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

"SEC. 104. (a) Public Law 86-500, as amended, is amended under heading 'INSIDE THE UNITED STATES' in section 101, as follows:

"(1) Under the subheading 'DEFENSE ATOMIC SUPPORT AGENCY' with respect to National Naval Medical Center, Maryland, strike out '$1,891,000' and insert in place thereof '$2,852,000'.

"(b) Public Law 86-500, as amended, is amended by striking out in clause (1) of section 502, '$79,499,000' and '$146,429,000' and inserting in place thereof '$80,460,000' and '$147,390,000', respectively.

"SEC. 105. (a) Public Law 87-57 is amended under heading 'INSIDE THE UNITED STATES' in section 101, as follows:

"(1) Under the subheading 'TECHNICAL SERVICES FACILITIES (Signal Corps)', with respect to Lexington Signal Depot, Kentucky, strike out '$33,000' and insert in place thereof '$56,000'.

"(2) Under the subheading 'ARMY COMPONENT COMMANDS (Pacific Command Area)', with respect to various locations, strike out '$814,000' and insert in place thereof '$1,156,000'.

"(b) Public Law 87-57 is amended by striking out in clause (1) of section 602, '$76,918,000' and '$130,406,000' and inserting in place thereof '$77,283,000' and '$130,771,000'.

"SEC. 106. (a) Public Law 87-554 is amended in section 101 as follows:

"(1) Under the heading 'INSIDE THE UNITED STATES', and under the subheading 'CONTINENTAL ARMY COMMAND (Sixth Army)', with respect to 'Hunter-Liggett Military Reservation, California' strike out '$159,000' and insert in place thereof '$232,000'.

"(2) Under the heading 'OUTSIDE THE UNITED STATES', and under the subheading 'ARMY SECURITY AGENCY', with respect to 'Various locations', strike out '$4,684,000' and insert in place thereof '$6,494,000'.

"(b) Public Law 87-554 is amended by striking out in clause (1) of section 602, '$101,743,000', '$29,699,000' and '$148,442,000' and inserting in place thereof '$101,816,000', '$31,509,000' and '$150,325,000', respectively.

"TITLE II

"SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment for the following projects:

"Inside the United States

"Bureau of Ships Facilities

"(Naval Shipyards)

"Naval Shipyard, Boston, Massachusetts: Operational facilities, and utilities, $169,000.

"Naval Shipyard, Bremerton, Washington: Maintenance facilities, $1,902,000.

"Naval Shipyard, Charleston, South Carolina: Operational facilities, maintenance facilities, supply facilities, and medical facilities, $3,171,000.

"Naval Shipyard, Mare Island, California: Utilities, $850,000.

"Naval Shipyard, New York, New York: Administrative facilities, $200,000.

"Naval Shipyard, Norfolk, Virginia: Maintenance facilities, $5,382,000.

"Naval Shipyard, Pearl Harbor, Oahu, Hawaii: Operational facilities, maintenance facilities, and research, development and test facilities, $2,921,000.

"Naval Shipyard, Philadelphia, Pennsylvania: Operational facilities, $90,000.

"Naval Shipyard, Portsmouth, New Hampshire: Maintenance facilities, $574,000.

"Naval Repair Facility, San Diego, California: Maintenance facilities, $522,000.

"Naval Shipyard, San Francisco, California: Research, development and test facilities, and utilities, $274,000.

"(Fleet Support Stations)

"Naval Facility, Cape Hatteras, North Carolina: Community facilities, $62,000.

"Naval Submarine Base, New London, Connecticut: Administrative facilities, and utilities, $823,000.

"Headquarters, Commander-in-Chief, Atlantic Fleet, Norfolk, Virginia: Troop housing, $625,000.

"Fleet Training Group, Naval Station Annex, Pearl Harbor, Oahu, Hawaii: Training facilities, $194,000.

"(Research, Development, Test and Evaluation Stations.)

"Navy Underwater Sound Laboratory, New London, Connecticut: Operational facilities, $1,770,000.

"Fleet Base Facilities

"Naval Station, Charleston, South Carolina: Troop housing, and utilities and ground improvements, $754,000.

"Naval Command Systems Support Activity, District of Columbia: Administrative facilities, $986,000.

"Naval Station, Key West, Florida: Utilities, $226,000.

"Naval Station, Long Beach, California: Operational facilities, $94,000.

"Naval Station, Norfolk, Virginia: Operational facilities, $2,355,000.

"Naval Station, San Diego, California: Operational facilities, $786,000.

"Naval Weapons Facilities

"(Naval air training stations)

"Naval Air Station, Corpus Christi, Texas: Operational and training facilities, and troop housing, $208,000.

"Naval Air Station, Glynco, Georgia: Community facilities, $310,000.

"Naval Air Station, Memphis, Tennessee: Operational facilities, $289,000.

"Naval Air Station, Pensacola, Florida: Utilities, $73,000.

"Naval Auxiliary Air Station, Whiting Field, Florida: Operational facilities, and utilities, $251,000.

"(Field support stations)

"Naval Station, Adak, Alaska: Maintenance facilities, and troop housing, $4,765,000.

"Naval Air Station, Alameda, California: Operational facilities, $477,000.

"Naval Air Station, Barbers Point, Oahu, Hawaii: Operational facilities, $94,000.

"Naval Air Station, Brunswick, Maine: Operational facilities, and maintenance facilities, $1,075,000.

"Naval Air Station, Cecil Field, Florida: Operational facilities, $150,000.

"Naval Auxiliary Air Station, Fallon, Nevada: Operational facilities, $780,000.

"Naval Air Station, Jacksonville, Florida: Operational facilities, and maintenance facilities, $884,000.

"Naval Air Station, Key West, Florida: Operational and training facilities, maintenance facilities, troop housing, utilities, and real estate, $8,031,000.

"Naval Air Station, Miramar, California: Maintenance facilities $2,400,000.

"Naval Air Station, Norfolk, Virginia: Operational facilities, and maintenance facilities, $3,242,000.

"Naval Air Station, North Island, California: Operational facilities, and maintenance facilities, $2,358,000.

"Naval Air Station, Oceana, Virginia: Operational facilities, and maintenance facilities, $657,000.

"Naval Air Station, Quonset Point, Rhode Island: Operational facilities, and utilities, $834,000.

"Naval Auxiliary Landing Field, San Clemente Island, California: Operational facilities, maintenance facilities, troop housing, and utilities, $1,092,000.

"Naval Air Station, Sanford, Florida: Operational facilities and maintenance facilities, $1,138,000.

"Naval Air Station, Whidbey Island, Washington: Operational facilities, $80,000.

"(Marine Corps air stations)

"Marine Corps Air Station, Beaufort, South Carolina: Maintenance facilities, and community facilities, $538,000.

"Marine Corps Auxiliary Landing Field, Camp Pendleton, California: Operational and training facilities, and maintenance facilities, $740,000.

"Marine Corps Air Station, Cherry Point, North Carolina: Operational facilities, maintenance facilities, administrative facilities, and utilities, $1,400,000.

"Marine Corps Air Station, El Toro, California: Operational facilities, and maintenance facilities, $2,042,000.

"Marine Corps Air Station, Kaneohe Bay, Oahu, Hawaii: Maintenance facilities, $621,000.

"Marine Corps Air Facility, New River, North Carolina: Operational facilities, maintenance facilities, administrative facilities, and troop housing, $2,034,000.

"Marine Corps Air Facility, Santa Ana, California: Training facilities, $276,000.

"Marine Corps Air Station, Yuma, Arizona: Supply facilities, $259,000.

"(Fleet readiness stations)

"Naval Ammunition Depot, Charleston, South Carolina: Maintenance facilities, and troop housing and community facilities, $952,000.

"Naval Propellant Plant, Indian Head, Maryland: Research, development and test facilities, supply facilities, and real estate, $694,000.

"Naval Torpedo Station, Keyport, Washington: Research, development and test facilities, and real estate, $258,000.

"Naval Weapons Station, Yorktown, Virginia: Utilities, $932,000.

"(Research, development, test and evaluation stations)

"Naval Ordnance Test Station, China Lake, California: Research, development and test facilities, $1,268,000.

"Naval Air Development Center, Johnsville, Pennsylvania: Research, development and test facilities, $780,000.

"Pacific Missile Range, Point Mugu, California: Operational facilities, and research, development and test facilities; at Point Arguello, research, development and test facilities, and troop housing; and, on San Nicolas Island, research, development and test facilities, $3,869,000.

"Naval Ordnance Laboratory, White Oak, Maryland: Research, development and test facilities, $6,173,000.

"Naval Ordnance Missile Test Facility, White Sands, New Mexico: Research, development and test facilities, $490,000.

"Supply Facilities

"Fleet Material Support Office, Mechanicsburg, Pennsylvania: Administrative facilities, $352,000.

"Marine Corps Facilities

"Marine Corps Base, Camp Lejeune, North Carolina: Training facilities, maintenance facilities, and utilities, $1,892,000.

"Marine Corps Schools, Quantico, Virginia: Training facilities, $735,000.

"Marine Corps Base, Twenty-nine Palms, California: Community facilities, and utilities, $179,000.

"Service School Facilities

"Naval Academy, Annapolis, Maryland: Training facilities, and troop housing, $12,819,000.

"Naval Training Center, Bainbridge, Maryland: Utilities, $70,000.

"Naval Schools, Mine Warfare, Charleston, South Carolina: Training facilities, $819,000.

"Naval Amphibious Base, Coronado, California: Utilities, $163,000.

"Fleet Anti-Air Warfare Training Center, Dam Neck, Virginia: Medical facilities, and troop housing, $1,812,000.

"Naval Training Center, Great Lakes, Illinois: Training facilities, and utilities, $3,235,000.

"Naval War College, Newport, Rhode Island: Training facilities, $65,000.

"Fleet Anti-Submarine Warfare School, San Diego, California: Utilities, $175,000.

"Naval Training Center, San Diego, California: Troop housing, $79,000.

"Medical Facilities

"Naval Hospital, Long Beach, California: Troop housing, $336,000.

"Communication Facilities

"(Communication stations)

"Naval Radio Station, Cutler, Maine: Community facilities, $240,000.

"Naval Radio Station, Sugar Grove, West Virginia: Operational facilities, maintenance facilities, troop housing, and utilities, $3,480,000.

"(Security group stations)

"Naval Security Station, District of Columbia: Troop housing, $231,000.

"Naval Security Group Activity, Skaags Island, California: Utilities, $341,000.

"Naval Security Group Activity, Winter Harbor, Maine: Troop housing and utilities, $282,000.

"Office of Naval Research Facilities

"Naval Research Laboratory, District of Columbia: Research, development and test facilities, administrative facilities, and utilities, $6,730,000.

"Yards and Docks Facilities

"Navy Public Works Center, Newport, Rhode Island: Utilities, $965,000.

"Navy Public Works Center, Norfolk, Virginia: Utilities, $1,658,000.

"Navy Public Works Center, Pearl Harbor, Oahu, Hawaii: Utilities, $171,000.

"Naval Construction Battalion Center, Port Hueneme, California: Operational facilities, and utilities, $1,490,000.

"Outside the United States

"Bureau of Ships Facilities

"Naval Station, Subic Bay, Republic of Philippines; Community facilities, $255,000.

"Naval Weapons Facilities

"Naval Station, Argentia, Newfoundland, Canada: Operational facilities, and community facilities, $1,365,000.

"Marine Corps Air Facility, Futema, Okinawa: Training facilities, $202,000.

"Marine Corps Air Station, Iwakuni, Japan: Operational and training facilities, $287,000.

"Naval Station, Midway Islands: Community facilities, and ground improvements, $581,000.

"Naval Air Facility, Naples, Italy: Operational facilities, $310,000.

"Naval Station, Sangley Point, Republic of Philippines: Operational facilities, $57,000.

"Marine Corps Facilities

"Camp Smedley B. Butler, Okinawa: Operational and training facilities, maintenance facilities, supply facilities, administrative facilities, and troop housing and community facilities, $6,135,000.

"Communication Facilities

"Naval Radio Station, Barrigada, Guam, Mariana Islands: Operational facilities, $414,000.

"Naval Communication Station, Londonderry, Northern Ireland: Operational facilities, $517,000.

"Naval Radio Station, Summit, Canal Zone: Utilities, $65,000.

"Naval Radio Station, Totsuka, Japan: Operational facilities, and utilities, $1,116,000.

"SEC. 202. The Secretary of the Navy may establish or develop classified naval installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $63,095,000.

"SEC. 203. The Secretary of the Navy may establish or develop naval installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $12,500,000: *Provided*, That the Secretary of the Navy or his designee shall notify the Committees on Armed Services of the Senate and the House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1964, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

"SEC. 204. (a) Public Law 87–57, as amended, is amended in section 201 under the heading 'INSIDE THE UNITED STATES' and subheading 'COMMUNICATION FACILITIES', with respect to the Naval Radio Station, Cheltenham, Maryland, by striking out '$151,000', and inserting in place thereof, '$238,000'.

"(b) Public Law 87–57, as amended, is amended by striking out in clause (2) of section 602, the amounts '$81,558,000' and '$140,663,000', and inserting respectively in place thereof '$81,645,000' and '$140,750,000'.

"TITLE III

"SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for the following projects:

"Inside the United States

"Air Defense Command

"Ent Air Force Base, Colorado Springs, Colorado: Operational facilities, and medical facilities, $677,000.

"Grand Forks Air Force Base, Grand Forks, North Dakota: Operational facilities and utilities, $1,439,000.

"Hamilton Air Force Base, San Rafael, California: Operational facilities, and troop housing, $675,000.

"Kincheloe Air Force Base, Sault Sainte Marie, Michigan: Operational facilities, maintenance facilities, and troop housing and community facilities, $808,000.

"Kingsley Field, Klamath Falls, Oregon: Operational facilities, maintenance facilities, and medical facilities, $213,000.

"McChord Air Force Base, Tacoma, Washington: Operational facilities, maintenance facilities, medical facilities, and community facilities, $1,436,000.

"NORAD Headquarters, Colorado Springs, Colorado: Operational facilities, $7,000,000.

"Otis Air Force Base, Falmouth, Massachusetts: Utilities, $91,000.

"Paine Field, Everett, Washington: Maintenance facilities, $131,000.

"Portland International Airport, Portland, Oregon: Operational facilities, maintenance facilities, troop housing and community facilities, and utilities, $1,659,000.

"Stewart Air Force Base, Newburgh, New York: Operational facilities, maintenance facilities, and utilities, $212,000.

"Suffolk County Air Force Base, Westhampton Beach, New York: Maintenance facilities, and community facilities, $907,000.

"Truax Field, Madison, Wisconsin: Maintenance facilities, and community facilities, $447,000.

"Tyndall Air Force Base, Panama City, Florida: Operational facilities, and maintenance facilities, $681,000.

"Air Force Logistics Command

"Hill Air Force Base, Ogden, Utah: Operational facilities, maintenance facilities, supply facilities, administrative facilities, and troop housing, $2,717,000.

"Kelly Air Force Base, San Antonio, Texas: Maintenance facilities, medical facilities, administrative facilities, and troop housing, $4,345,000.

"McClellan Air Force Base, Sacramento, California: Operational facilities, maintenance facilities, supply facilities, administrative facilities, and utilities, $2,132,000.

"Norton Air Force Base, San Bernardino, California: Maintenance facilities, and utilities, $983,000.

"Olmsted Air Force Base, Middletown, Pennsylvania: Operational facilities, and maintenance facilities, $1,247,000.

"Robins Air Force Base, Macon, Georgia: Maintenance facilities, administrative facilities, and utilities, $1,240,000.

"Tinker Air Force Base, Oklahoma City, Oklahoma: Operational facilities, maintenance facilities, supply facilities, and utilities, $1,025,000.

"Wright-Patterson Air Force Base, Dayton, Ohio: Maintenance facilities, research, development and test facilities, administrative facilities, and utilities, $3,993,000.

"Air Force Systems Command

"Arnold Engineering Development Center, Tullahoma, Tennessee: Research, development and test facilities, supply facilities, and utilities, $4,060,000.

"Brooks Air Force Base, San Antonio, Texas: Training facilities, research, development and test facilities, and troop housing and community facilities, $1,155,000.

"Edwards Air Force Base, Muroc, California: Research, development and test facilities, $9,660,000.

"Eglin Air Force Base, Valparaiso, Florida: Operational facilities, maintenance facilities, research, development and test facilites, supply facilities, hospital facilities, and troop housing, $5,110,000.

"Holloman Air Force Base, Alamogordo, New Mexico: Maintenance facilities, research, development and test facilities, $196,000.

"Kirtland Air Force Base, Albuquerque, New Mexico: Research, development and test facilities, and troop housing and community facilities, $1,035,000.

"Laurence G. Hanscom Field, Bedford, Massachusetts: Troop housing and community facilities, $602,000.

"Patrick Air Force Base, Cocoa, Florida: Operational facilities, maintenance facilities, and troop housing, $1,119,000.

"Sacramento Peak Upper Air Research Site, Alamogordo, New Mexico: Research, development and test facilities, $2,889,000.

"Various Locations, Atlantic Missile Range: Operational facilities, maintenance facilities, research, development and test facilities, troop housing, and utilities, $7,856,000.

"Air Training Command

"Amarillo Air Force Base, Amarillo, Texas: Training facilities, and hospital facilities, $3,985,000.

"Chanute Air Force Base, Rantoul, Illinois: Training facilities, troop housing, and utilities, $2,573,000.

"Craig Air Force Base, Selma, Alabama: Operational facilities, $829,000.

"Keesler Air Force Base, Biloxi, Mississippi: Training facilities, hospital facilities, and utilities, $3,319,000.

"Lackland Air Force Base, San Antonio, Texas: Medical facilities, and troop housing, $1,394,000.

"Laredo Air Force Base, Laredo, Texas: Operational facilities, $275,000.

"Laughlin Air Force Base, Del Rio, Texas: Operational facilities, maintenance facilities, and utilities, $909,000.

"Lowry Air Force Base, Denver, Colorado: Troop housing, $974,000.

"Randolph Air Force Base, San Antonio, Texas: Operational facilities, administrative facilities, and real estate, $3,044,000.

"Reese Air Force Base, Lubbock, Texas: Operational facilities, utilities, and real estate, $504,000.

"Sheppard Air Force Base, Wichita Falls, Texas: Training facilities, supply facilities, and troop housing, $1,723,000.

"Stead Air Force Base, Reno, Nevada: Operational and training facilities, $236,000.

"Vance Air Force Base, Enid, Oklahoma: Operational facilities, $709,000.

"Air University

"Gunter Air Force Base, Montgomery, Alabama: Administrative facilities, and troop housing and community facilities, $765,000.

"Maxwell Air Force Base, Montgomery, Alabama: Maintenance facilities, administrative facilities, and troop housing and community facilities, $852,000.

"Alaskan Air Command

"Eielson Air Force Base, Fairbanks, Alaska: Maintenance facilities, administrative facilities, troop housing, and utilities, $1,853,000.

"Elmendorf Air Force Base, Anchorage, Alaska: Operational facilities, maintenance facilities, administrative facilities, community facilities, and utilities, $2,689,000.

"Galena Airport, Galena, Alaska: Medical facilities, $145,000.

"King Salmon Airport, Naknek, Alaska: Operational facilities, and supply facilities, $160,000.

"Various locations: Operational facilities, maintenance facilities, supply facilities, troop housing and community facilities, and utilities, $9,718,000.

"Headquarters Command

"Andrews Air Force Base, Camp Springs, Maryland: Operational facilities, maintenance facilities, medical facilities, troop housing, and utilities, $1,996,000.

"Bolling Air Force Base, Washington, District of Columbia: Administrative facilities, troop housing, community facilities, and utilities, $4,000,000.

"Military Air Transport Service

"Charleston Air Force Base, Charleston, South Carolina: Maintenance facilities, supply facilities, medical facilities, and community facilities, $1,284,000.

"Dover Air Force Base, Dover, Delaware: Operational facilities, $520,000.

"Hunter Air Force Base, Savannah, Georgia: Maintenance facilities, $766,000.

"McGuire Air Force Base, Wrightstown, New Jersey: Operational and training facilities, $487,000.

"Orlando Air Force Base, Orlando, Florida: Training facilities, $191,000.

"Scott Air Force Base, Belleville, Illinois: Operational facilities, $145,000.

"Travis Air Force Base, Fairfield, California: Operational and training facilities, maintenance facilities, hospital facilities, and utilities, $2,716,000.

"Pacific Air Force

"Hickam Air Force Base, Honolulu, Hawaii: Operational facilities, supply facilities, medical facilities, and utilities, $1,373,000.

"Strategic Air Command

"Altus Air Force Base, Altus, Oklahoma: Operational facilities, and administrative facilities, $392,000.

"Beale Air Force Base, Marysville, California: Operational facilities, $470,000.

"Bergstrom Air Force Base, Austin, Texas: Operational facilities, and troop housing, $463,000.

"Biggs Air Force Base, El Paso, Texas: Operational facilities, $174,000.

"Blytheville Air Force Base, Blytheville, Arkansas: Operational facilities, maintenance facilities, administrative facilities, and troop housing, $549,000.

"Bunker Hill Air Force Base, Peru, Indiana: Operational facilities, $168,000.

"Carswell Air Force Base, Fort Worth, Texas: Operational facilities, and community facilities, $841,000.

"Castle Air Force Base, Merced, California: Operational facilities, and community facilities, $163,000.

"Clinton-Sherman Air Force Base, Clinton, Oklahoma: Maintenance facilities, community facilities, and utilities, $329,000.

"Columbus Air Force Base, Columbus, Mississippi: Operational facilities, $70,000.

"Davis-Monthan Air Force Base, Tucson, Arizona: Operational facilities, and community facilities, $709,000.

"Dyess Air Force Base, Abilene, Texas: Troop housing, $653,000.

"Ellsworth Air Force Base, Rapid City, South Dakota: Operational facilities, $51,000.

"Francis E. Warren Air Force Base, Cheyenne, Wyoming: Operational and training facilities, maintenance facilities, supply facilities, and troop housing, $1,391,000.

"Glasgow Air Force Base, Glasgow, Montana: Operational facilities, administrative facilities, and community facilities, $633,000.

"Homestead Air Force Base, Homestead, Florida: Maintenance facilities, and community facilities, $853,000.

"Larson Air Force Base, Moses Lake, Washington: Operational facilities, and troop housing and community facilities, $722,000.

"Little Rock Air Force Base, Little Rock, Arkansas: Training facilities, maintenance facilities, supply facilities, administrative facilities, and community facilities, $1,646,000.

"Lockbourne Air Force Base, Columbus, Ohio: Operational facilities, and utilities, $297,000.

"Malmstrom Air Force Base, Great Falls, Montana: Medical facilities, and community facilities, $609,000.

"March Air Force Base, Riverside, California: Maintenance facilities, and medical facilities, $186,000.

"Minot Air Force Base, Minot, North Dakota: Operational facilities, medical facilities, and community facilities, $1,408,000.

"Mountain Home Air Force Base, Mountain Home, Idaho: Operational facilities, $135,000.

"Offutt Air Force Base, Omaha, Nebraska: Maintenance facilities, and administrative facilities, $663,000.

"Pease Air Force Base, Portsmouth, New Hampshire: Operational facilities, maintenance facilities, supply facilities, and utilities, $410,000.

"Plattsburgh Air Force Base, Plattsburgh, New York: Maintenance facilities, and supply facilities, $89,000.

"Schilling Air Force Base, Salina, Kansas: Operational facilities, $94,000.

"Turner Air Force Base, Albany, Georgia: Operational facilities, troop housing and community facilities, and utilities, $653,000.

"Vandenberg Air Force Base, Lompoc, California: Operational facilities, hospital facilities, administrative facilities, and troop housing, $6,666,000.

"Westover Air Force Base, Chicopee Falls, Massachusetts: Operational facilities and administrative facilities, $1,332,000.

"Whiteman Air Force Base, Knob Noster, Missouri: Operational facilities, $80,000.

"Wurtsmith Air Force Base, Oscoda, Michigan: Supply facilities, and troop housing and community facilities, $547,000.

"Tactical Air Command

"England Air Force Base, Alexandria, Louisiana: Operational facilities, maintenance facilities, administrative facilities, and troop housing and community facilities, $886,000.

"George Air Force Base, Victorville, California: Operational and training facilities, maintenance facilities, and troop housing and community facilities, $4,226,000.

"Langley Air Force Base, Hampton, Virginia: Administrative facilities, troop housing, and utilities, $2,067,000.

"Luke Air Force Base, Phoenix, Arizona: Operational facilities, $130,000.

"MacDill Air Force Base, Tampa, Florida: Maintenance facilities, $99,000.

"Myrtle Beach Air Force Base, Myrtle Beach, South Carolina: Operational facilities, $123,000.

"Nellis Air Force Base, Las Vegas, Nevada: Administrative facilities, and troop housing, $797,000.

"Pope Air Force Base, Fort Bragg, North Carolina: Operational facilities, maintenance facilities, and real estate, $3,783,000.

"Sewart Air Force Base, Smyrna, Tennessee: Operational facilities, maintenance facilities, and troop housing, $1,786,000.

"Seymour Johnson Air Force Base, Goldsboro, North Carolina: Administrative facilities, and troop housing, $650,000.

"Shaw Air Force Base, Sumter, South Carolina: Operational facilities, maintenance facilities, and administrative facilities, $1,087,000.

"Aircraft Control and Warning System

"Various locations: Operational facilities, maintenance facilities, troop housing and community facilities, and utilities, $1,731,000.

"Outside the United States

"Air Defense Command

"Various locations: Operational facilities, troop housing and community facilities, and utilities, $1,132,000.

"Caribbean Air Command

"Albrook Air Force Base, Canal Zone: Medical facilities, and troop housing, $291,000.

"Howard Air Force Base, Canal Zone: Operational facilities, and supply facilities, $347,000.

"Military Air Transport Service

"Wake Island: Supply facilities, $34,000.

"Various locations: Operational facilities, and utilities, $1,198,000.

"Pacific Air Force

"Various locations: Operational and training facilities, maintenance facilities, supply facilities, medical facilities, troop housing and community facilities, and utilities, $24,557,000.

"Strategic Air Command

"Ramey Air Force Base, Puerto Rico: Supply facilities, $93,000.

"Various locations: Operational facilities, maintenance facilities, community facilities, and utilities, $1,407,000.

"United States Air Forces in Europe

"Various locations: Operational and training facilities, maintenance facilities, supply facilities, medical facilities, administrative facilities, troop housing and community facilities, and utilities, $23,884,000.

"United States Air Force Security Service

"Various locations: Operational facilities, medical facilities, troop housing and community facilities, and utilities, $11,610,000.

"SEC. 302. The Secretary of the Air Force may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $252,629,000.

"SEC. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with the interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $12,500,000: *Provided*, That the Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1964, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

"SEC. 304. (a) Public Law 83-534, as amended, is amended in section 301 under the heading 'CONTINENTAL UNITED STATES' and subheading 'AIR DEFENSE COMMANDS', with respect to Stewart Air Force Base, Newburgh, New York, by striking out '$2,659,000' and inserting in place thereof '$2,797,000'.

"(b) Public Law 83-534, as amended, is amended by striking out in clause (3) of section 502 the amounts of '$409,937,000' and '$419,766,000' and inserting in place thereof '$410,075,000' and '$419,904,000', respectively.

"SEC. 305. (a) Public Law 87-554, is amended in section 301 under the heading 'INSIDE THE UNITED STATES' and subheading 'STRATEGIC AIR COMMAND', with respect to McCoy Air Force Base, Orlando, Florida, by striking out '$380,000' and inserting in place thereof '$408,000'.

"(b) Public Law 87-554 is amended by striking out in clause (3) of section 602 the amounts of '$131,651,000' and '$743,379,000' and inserting in place thereof '$131,679,000' and '$743,407,000', respectively.

"TITLE IV

"SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for defense agencies for the following projects:

"Defense Atomic Support Agency

"Armed Forces Radiobiology Research Institute, National Naval Medical Center, Bethesda, Maryland: Research, development and test facilities, $1,200,000.

"Sandia Base, Albuquerque, New Mexico: Community facilities, and utilities, $389,000.

"Various locations: Utilities, $272,000.

"Defense Communications Agency

"Navy Service Center, Arlington County, Virginia: Administrative facilities, $342,000.

"Scott Air Force Base, Belleville, Illinois: Administrative facilities, $718,000.

"Various locations: Operational facilities, $200,000.

"Defense Intelligence Agency

"Arlington Hall, Arlington County, Virginia: Administrative facilities, $61,000.

"Naval Station, Anacostia Annex, District of Columbia: Training facilities, $164,000.

"Defense Supply Agency

"Defense Electronics Supply Center, Dayton, Ohio: Administrative facilities, and utilities, $623,000.

"Defense Clothing and Textile Supply Center, Philadelphia, Pennsylvania: Maintenance facilities, and utilities, $125,000.

"Defense General Supply Center, Richmond, Virginia: Administrative facilities, and utilities, $309,000.

"SEC. 402. The Secretary of Defense may establish or develop classified installations and facilities by acquiring, constructing, converting, rehabilitating, or installing, permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000.

"TITLE V

"Military family housing

"SEC. 501. The Secretary of Defense, or his designee, is authorized to construct, at the locations hereinafter named, family housing units and trailer court facilities, in the numbers hereinafter listed, but no family housing construction shall be commenced at any such locations in the United States, until the Secretary shall have consulted with the Administrator, Housing and Home Finance Agency, as to the availability of adequate private housing at such locations. If the Secretary and the Administrator are unable to reach agreement with respect to the availability of adequate private housing at any location, the Secretary shall immediately notify the Committees on Armed Services of the House of Representatives and the Senate, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

"(a) Family housing units for—

"(1) the Department of the Army, 1,847 units, $36,052,000.

"Fort Greely, Alaska, 62 units.

"Petroleum Distribution Pipeline, Alaska, 19 units.

"Fort Richardson, Alaska, 100 units.

"Pine Bluff Arsenal, Arkansas, 33 units.

"Fort Irwin, California, 65 units.

"Fort Ord, California, 200 units.

"Fort Carson, Colorado, 280 units.

"Fort Stewart, Georgia, 132 units.

"Savanna Army Depot, Illinois, 32 units.

"Aberdeen Proving Ground, Maryland, 100 units.

"Fort Detrick, Maryland, 40 units.

"Vint Hill Farms Station, Virginia, 30 units.

"Fort Myer, Virginia, 120 units.

"Army Security Agency, location 04, 60 units.

"Army Security Agency, location 23, 84 units.

"Fort Buckner, Okinawa, 490 units.

"(2) the Department of the Navy 4,248 units, $75,242,000.

"Naval Station, Kodiak, Alaska, 250 units.

"Marine Corps Air Station, Yuma, Arizona, 100 units.

"Naval Air Station, Alameda, California, 300 units.

"Marine Corps Cold Weather Training Center, Bridgeport, California, 40 units.

"Naval Air Facility, El Centro, California, 100 units.

"Naval Station, Long Beach, California, 400 units.

"Naval Shipyard, Mare Island, California, 300 units.

"Marine Corps Base, Camp Pendleton, California, 100 units.

"Naval Shipyard, San Francisco, California, 124 units.

"Marine Corps Air Station, Kaneohe Bay, Hawaii, 100 units.

"Naval Station, Pearl Harbor, Hawaii, 400 units.

"Naval Radio Station, Cutler, Maine, 12 units.

"Naval Air Station, New York, New York, 8 units.

"Naval Supply Depot, Mechanicsburg, Pennsylvania, 75 units.

"Naval Air Station, Quonset Point, Rhode Island, 200 units.

"Naval Station, Charleston, South Carolina, 592 units.

"Naval Hospital, Beaufort, South Carolina, 1 unit.

"Naval Station, Norfolk, Virginia, 280 units.

"Naval Shipyard, Bremerton, Washington, 300 units.

"Naval Radio Station, Sugar Grove, West Virginia, 20 units.

"Naval Radio Station, Sabana Seca, Puerto Rico, 100 units.

"Naval Radio Station, Londonderry, Northern Ireland, 30 units.

"Naval Security Group Activity, Edzell, Scotland, 90 units.

"Naval Radio Station, Thurso, Scotland, 26 units.

"Classified location, 300 units.

(3) the Department of the Air Force, 4,045 units, $72,675,000.

"Elmendorf Air Force Base, Alaska, 290 units.

"George Air Force Base, California, 150 units.

"Vandenberg Air Force Base, California, 150 units.

"Ent Air Force Base, Colorado, 200 units.

"Lowry Air Force Base, Colorado, 100 units.

"Robins Air Force Base, Georgia, 100 units.

"Bellows Air Force Station, Hawaii, 20 units.

"Hickam-Wheeler Air Force Bases, Hawaii, 150 units.

"Andrews Air Force Base, Maryland, 150 units.

"L. G. Hanscom Air Force Base, Massachusetts, 200 units.

"K. I. Sawyer Air Force Base, Michigan, 100 units.

"Malmstrom Air Force Base, Montana, 200 units.

"Grand Forks Air Force Base, North Dakota, 300 units.

"Minot Air Force Base, North Dakota, 300 units.

"Altus Air Force Base, Oklahoma, 100 units.

"Arnold Engineering Development Center, Tennessee, 40 units.

"Langley Air Force Base, Virginia, 100 units.

"F. E. Warren Air Force Base, Wyoming, 200 units.

"Various locations, 245 relocatable units.

"Goose Air Base, Canada, 200 units.

"Kadena Air Base, Okinawa, 200 units.

"Naha Air Base, Okinawa, 200 units.

"Clark Air Base, Philippine Islands, 250 units.

"Site QC, 200 units.

(b) Trailer Court Facilities for:

"(1) The Department of the Army, 383 spaces, $657,000.

"(2) The Department of the Navy, 172 spaces, $279,000.

"(3) The Department of the Air Force, 984 spaces, $1,607,000.

"SEC. 502. Authorizations for the construction of family housing provided in this Act shall be subject to the following limitations on cost, which shall include shades, screens, ranges, refrigerators, and all other installed equipment and fixtures:

"(a) The cost per unit of family housing constructed in the United States (other than Alaska) the Canal Zone, and Puerto Rico shall not exceed—

"$22,000 for generals or equivalent;

"$19,800 for colonels or equivalent;

"$17,600 for majors and/or lieutenant colonels or equivalent;

$15,400 for all other commissioned or warrant officer personnel or equivalent;

"$13,200 for enlisted personnel;

"(b) When family housing units are constructed in areas other than those listed in subsection (a), the average cost of all such units, in any project of 50 units or more, shall not exceed $32,000, and in no event shall the cost of any unit exceed $40,000.

"(c) The cost limitations provided in subsections (a) and (b) shall be applied to the five-foot line.

"(d) No project in excess of 50 units in the areas listed in subsection (a) shall be constructed at an average unit cost exceeding $17,500, including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

"(e) No family housing unit in the areas listed in subsection (a) shall be constructed at a total cost exceeding $26,000, including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

"SEC. 503. Sections 4774(b), 7574(b), and 9774(b) of Title 10, United States Code, are each amended to read as follows: '(b) the maximum limitations prescribed by subsection (a) are increased 10 percent for quarters of the commanding officer of any station, air base, or other installation, based on the grade authorized for that position.'

"SEC. 504. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions not otherwise authorized by law, to existing public quarters at a cost not to exceed—

"(a) For the Department of the Army, $2,231,000;

"(b) For the Department of the Navy, $1,177,000;

"(c) For the Department of the Air Force, $2,363,000.

"SEC. 505. Section 515 of Public Law 84–161 (69 Stat. 324, 352), as amended, is amended to read as follows:

"'SEC. 515. During fiscal years 1964 through and including 1965, the Secretaries of the Army, Navy, and Air Force, respectively, are authorized to lease housing facilities at or near military installations in the United States and Puerto Rico for assignment as public quarters to military personnel and their dependents, if any, without rental charge, upon a determination by the Secretary of Defense, or his designee, that there is a lack of adequate housing facilities at or near such military installations. Such housing facilities shall be leased on a family or individual unit basis and not more than five thousand of such units may be so leased at any one time. Expenditures for the rental of such housing facilities may not exceed an average of $160 a month for any such unit, including the cost of utilities and maintenance and operation.'

"SEC. 506. Section 407(g) of Public Law 85–241 (71 Stat. 531, 556), as amended (42 U.S.C. 1594j(g)), is amended by changing the period to a semicolon and adding the following: *And provided further*, That the Secretary of Defense, or his designee, may exempt from this requirement any housing at any particular installation as to which he determines that (1) the housing is safe, decent, and sanitary, so as to be suitable for occupancy; (2) the housing cannot be made adequate as public quarters with a reasonable expenditure of funds; (3) the rentals charged to, or the allowances forfeited by the occupants are not less than the costs of maintaining and operating the housing; and (4) there is a continuing need which cannot appropriately be met by privately owned housing in the area.'

"SEC. 507. For the purpose of providing military family housing in foreign countries, the Secretary of Defense is authorized to enter into agreements guaranteeing the builders of such housing a rental return equivalent to a specified portion of the annual rental income which the builders would receive from the tenants if the housing were fully occupied: *Provided*, That the aggregate amount guaranteed under such agreements entered into during the fiscal years 1964 and 1965 shall not exceed such amount as may be applicable to five thousand units: *Provided further*, That no such agreement shall guarantee the payment of more than 97 per centum of the anticipated rentals, nor shall any guarantee extend for a period of more than ten years, nor shall the average guaranteed rental on any project exceed $150 per unit per month including the cost of maintenance and operation.

"SEC. 508. Section 2681(b) of title 10, United States Code, is amended to read as follows:

"'(b) The Department of Defense shall pay the Commodity Credit Corporation an amount not to exceed $6,000,000 a year until the amount due for foreign currencies used for housing constructed or acquired under this section has been liquidated.'

"SEC. 509. There is authorized to be appropriated for use by the Secretary of Defense or his designee for military family housing as authorized by law for the following purposes:

"(a) for construction and acquisition of family housing, including improvements to adequate quarters, improvements to inadequate quarters, minor construction, rental guarantee payments, construction and acquisition of trailer court facilities, and planning, an amount not to exceed $211,912,000 of which not to exceed $9,400,000 is authorized to be appropriated for initial acquisition during fiscal year 1964 of 2,023 housing units, pursuant to title IV of the Housing Amendments of 1955, as amended (42 U.S.C. 1594 et seq.) and improvements to such units; and

"(b) for support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payments to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, as amended (12 U.S.C. 1715m), an amount not to exceed $473,400,000.

"SEC. 510. Section 406(a) of Public Law 85–241, as amended, is amended by inserting a comma after the word 'activities' and adding the following: 'and no certificates with respect to any family housing units shall be issued by the Secretary of Defense or his designee or by any of the military departments in connection with section 810 of the National Housing Act, as amended,'.

"TITLE VI

"General Provisions

"SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529) and sections 4774(d) and 9774(d) of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

"SEC. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V shall not exceed—

"(1) for title I: Inside the United States, $154,976,000; outside the United States, $23,257,000; section 102, $8,900,000; section 103, $12,500,000; or a total of $199,633,000.

"(2) for title II: Inside the United States, $115,563,000; outside the United States, $11,304,000; section 202, $63,095,000; section 203, $12,500,000; or a total of $202,462,000.

"(3) for title III: Inside the United States, $158,685,000; outside the United States, $64,553,000; section 302, $252,629,000; section 303, $12,500,000; or a total of $488,367,000.

"(4) for title IV: A total of $24,403,000.

"(5) for title V: Military family housing, a total of $685,312,000.

"SEC. 603. Any of the amounts named in titles I, II, III, and IV of this Act may, in the discretion of the Secretary concerned, be increased by 5 per centum for projects inside the United States (other than Alaska) and by 10 per centum for projects outside the United States or in Alaska, if he determines in the case of any particular project that such increase (1) is required for the sole purpose of meeting unusual variations in cost arising in connection with that project, and (2) could not have been reasonably anticipated at the time such project was submitted to the Congress. However, the total costs of all projects in each such title may not be more than the total amount authorized to be appropriated for projects in that title.

"SEC. 604. Whenever—

"(1) the President determines that compliance with section 2313(b) of title 10, United States Code, for contracts made under this Act for the establishment or development of military installations and facilities in foreign countries would interfere with the carrying out of this Act; and

"(2) the Secretary of Defense and the Comptroller General have agreed upon alternative methods of adequately auditing those contracts;

the President may exempt those contracts from the requirements of that section.

"SEC. 605. Contracts for construction made by the United States for performance within the United States and its possessions, under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Bureau of Yards and Docks, Department of the Navy, unless the Secretary of Defense determines that because such jurisdiction and supervision is wholly impracticable such contracts should be executed under the jurisdiction and supervision of another department or Government agency, and shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report semiannually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

"SEC. 606. (a) As of October 1, 1964, all authorizations for military public works (other than family housing) to be accomplished by the Secretary of a military department in connection with the establishment or development of military installations and facilities, and all authorizations for appropriations therefor, that are contained in Acts approved before July 28, 1962, and not superseded or otherwise modified by a later authorization are repealed except—

"(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

"(2) the authorization for public works projects as to which appropriated funds have been obligated for construction contracts or land acquisitions in whole or in part before October 1, 1964, and authorizations for appropriations therefor;

"(3) notwithstanding the provisions of section 606 of the Act of July 27, 1962 (76 Stat. 223, 241), the authorization for utilities and ground improvements in the amount of $125,000 for Naval Training Center, Great Lakes, Illinois, that is contained in title II, section 201, under the heading 'INSIDE THE UNITED STATES' and subheading 'SERVICE SCHOOL FACILITIES' of the Act of June 8, 1960 (74 Stat. 172).

"(b) Effective fifteen months from the date of enactment of this Act, all authorizations for construction of family housing which are contained in this Act or any Act approved prior to July 28, 1962, are repealed except the authorization for family housing projects as to which appropriated funds have been obligated for construction contracts or land acquisitions in whole or in part before such date.

SEC. 607. None of the authority contained in titles I, II, and III of this Act shall be deemed to authorize any building construction project inside the United States (other than Alaska) at a unit cost in excess of—

"(1) $32 per square foot for cold-storage warehousing;

"(2) $8 per square foot for regular warehousing;

"(3) $1,850 per man for permanent barracks;

"(4) $8,500 per man for bachelor officers quarters; unless the Secretary of Defense determines that, because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable.

"SEC. 608. The last sentence of section 2674(a) of title 10, United States Code, is amended by changing the figure '$5,000' to '$10,000'.

"SEC. 609. (a) Chapter 159 of title 10, United States Code, is amended—

"(1) by adding the following new section at the end thereof:

"'§ 2682. Facilities for defense agencies

"'The construction, maintenance, rehabilitation, repair, alteration, addition, expansion, or extension of a real property facility for an activity or agency of the Department of Defense (other than a military department) financed from appropriations for military functions of the Department of Defense will be accomplished by or through a military department designated by the Secretary of Defense. A real property facility under the jurisdiction of the Department of Defense which is used by an activity or agency of the Department of Defense (other than a military department) shall be under the jurisdiction of a military department designated by the Secretary of Defense.'; and

"(2) by adding the following new item at the end of the analysis:

"'2682. Facilities for defense agencies.'

"(b) Section 610 of the Act of July 27, 1962 (76 Stat. 223, 242), is repealed.

"SEC. 610. Section 412(b) of Public Law 86-149, as amended, is amended to read as follows:

"'(b) No funds may be appropriated after December 31, 1960, to or for the use of any armed force of the United States for the procurement of aircraft, missiles, or naval vessels, or after December 31, 1962, to or for the use of any armed force of the United States for the research, development, test, or evaluation of aircraft, missiles, or naval vessels, or after December 31, 1963, to or for the use of any armed force of the United States for any research, development, test, or evaluation, unless the appropriation of such funds has been authorized by legislation enacted after such dates.'

"SEC. 611. Titles I, II, III, IV, V, and VI of this Act may be cited as the 'Military Construction Authorization Act, 1964.'

"TITLE VII

"Reserve Forces facilities

"SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

"(1) for Department of the Army:

"(a) Army National Guard of the United States, $7,500,000.

"(b) Army Reserve, $4,700,000.

"(2) for Department of the Navy: Naval and Marine Corps Reserves, $5,700,000.

"(3) for Department of the Air Force:

"(a) Air National Guard of the United States, $15,970,380.

"(b) Air Force Reserve, $4,600,000.

"SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended, and sections 4774(d) and 9774(d) of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended, and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

"SEC. 703. As of July 1, 1964, all authorizations for specific facilities for Reserve Forces to be accomplished by the Secretary of Defense, and all authorizations for appropriations therefor, that are contained in the Reserve Forces Facilities Act of 1961, and not superseded or otherwise modified by a later authorization, are repealed, except the authorizations for facilities for the Reserve Forces as to which appropriated funds have been obligated in whole or in part before July 1, 1964, and authorizations for appropriations therefor.

"SEC. 704. (a) Public Law 87-57, as amended, is amended under the heading 'Army National Guard of the United States (non-Armory)' in clause (1) of section 701 with respect to Point Pleasant, West Virginia, by striking out '$340,000' and inserting in place thereof '$424,000'.

"(b) Public Law 87-57, as amended, is amended by striking out in clause 1(a) of section 704 '$22,778,750', and inserting in place thereof '$22,862,750'.

"SEC. 705. (a) Public Law 86-149, as amended, is amended under the heading 'ARMY RESERVE' in clause (1) of section 501 with respect to Morristown, New Jersey, by striking out '$317,000' and inserting in place thereof '$377,000'.

"(b) Public Law 86-149, as amended, is amended by striking out in clause (1)(a) of section 504 '$21,530,000' and inserting in place thereof '$21,590,000'.

"SEC. 706. The Secretary of Defense, or his designee, may construct, expand, rehabilitate, convert, or equip existing facilities of the New York Naval Militia at Rochester, New York, and Troy, New York, without regard to the provisions of section 2233(b) of title 10, United States Code.

"SEC. 707. This title may be cited as the 'Reserve Forces Facilities Authorization Act, 1964'."

And the Senate agree to the same.

CARL VINSON,
MENDEL RIVERS,
PHILIP J. PHILBIN,
EDWARD HÉBERT,
LESLIE C. ARENDS,
WALTER NORBLAD,
WILLIAM H. BATES,
Managers on the Part of the House.

RICHARD B. RUSSELL,
JOHN STENNIS,
STUART SYMINGTON,
LEVERETT SALTONSTALL,
MARGARET CHASE SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6500) to authorize certain construction at military installations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

LEGISLATION IN CONFERENCE

On June 5, 1963, the House of Representatives passed H.R. 6500, which was the fiscal year 1964 military construction authorization for the Department of Defense, and the Reserve components. On October 22, 1963, the Senate considered the legislation and amended it by striking all language after the enacting clause, and wrote a new bill.

MAJOR ITEMS IN CONTROVERSY

H.R. 6500 as passed by the House provided authorization to the military departments and the Department of Defense for construction of facilities for fiscal year 1964 in the amount of $1,636,828,000. The bill as passed by the Senate provided new authorizations in the amount of $1,685,861,380. The Senate bill, therefore, provided an increase of $49,033,380 over the House-approved figure.

The bulk of the differences in the House and Senate bills occurred as a consequence of the Senate action which authorized the construction of 12,220 units of family housing as opposed to the 10,000 units approved by the House. The increased housing proposed by the Senate amounted to $37,581,000.

Military family housing

The Department of Defense had requested congressional approval of fiscal year 1964 military family housing program amounting to 12,100 unts. The department pointed out that there presently exists a shortage of approximately 62,000 units of military family housing and, therefore, it was proposed that this shortage should be eliminated by the initiation of a construction program over a 5-year period with annual increments of approximately 12,000 new units of military family housing each year.

The House concurred in the requirement for 62,000 new units of military family housing but proposed that this be accomplished over a 6-year program rather than a 5-year program recommended by the departments. However, the Senate was of the opinion that the departments should be provided with sufficient construction authority to accomplish this program in 5 years and, therefore, authorized the construction of 12,220 units of military family housing for fiscal year 1964.

House conferees pointed out that the Department of Defense and the military departments have demonstrated an inability to expeditiously execute previously granted housing authorizations. Therefore, it was the opinion of the conferees, the Senate conferees concurring, that the authorization for military family housing for fiscal year 1964 should be kept at the level previously established by the House.

The conferees, therefore, agreed to authorize a total of 10,140 new units of military family housing for inclusion in the fiscal year 1964 military construction authorization program. This figure is identical with the authorization provided by the House with the addition of 120 units of housing required by military personnel assigned to the base at Fort Myers, Va., and 20 units of family housing required by the restoration of a Navy project at Sugar Grove, W. Va.

The conferees recognized the urgent requirement for additional family housing at many other military installations including Fort Leonard Wood, Mo., and Griffiss Air Force Base, N.Y. However, it was agreed to defer these projects until the fiscal year 1965 program in accordance with priorities previously established by the Department of Defense.

In connection with the desire of the Congress that the military departments make every effort to expeditiously execute the housing authorizations provided them, there was included in both the House and Senate bills a provision which would repeal all housing authorizations which remain unused after a period of fifteen months.

As a consequence of the foregoing action, the housing authorization provided the military departments was reduced by $35,131,000 which accounts for the major dollar difference in the House and Senate bills.

Leasing of family housing

The military departments have been provided authority to lease family housing within the United States upon a determination by the Secretary of Defense or his designee that there is a lack of adequate housing facilities at or near a particular military installation. This leasing authority was initially provided by Section 515 of Public Law 161 of the 84th Congress. The authority contained in this act was limited to the leasing of individual family housing units near "tactical installations." Subsequently, by an amendment contained in Public Law 87-554, the word "tactical" was deleted from the original act and therefore, permitted the departments to lease family housing at or near military installations without the qualification that they be "tactical military installations."

In approving the amendment to the original leasing authority, both the House and Senate were under the impression that the leasing authority was to be used only where it was to the benefit of the Government to lease rather than build, having in mind those areas where tenure was not certain or where military strength at the installation was subject to temporary change. However, the military departments have apparently ignored this criteria and have proposed the initiation of leasing of hundreds of family housing units located in major metropolitan areas.

Both the House and Senate were also concerned with the fact that although the basic authorization for the leasing of family housing units established a maximum cost of $150 per month, the departments interpreted this language as applying only to the basic rental for the unit involved and, therefore, entered into separate contracts covering the cost of maintenance and operation of these units. As a consequence, the departments have advised the Congress that the rentals of these units have averaged approximately $168 per month.

It has, therefore, become apparent that the leasing program has gone well beyond the original intent of the Congress, and should be curtailed. The conferees, therefore, provided new language in section 505 of the bill which limited this leasing authority to:

(a) The leasing of individual units of family housing as opposed to block leasing;

(b) A maximum expenditure of an average of $160 per month for any such unit including the cost of utilities and maintenance and operation;

(c) A maximum of 5,000 units which can be leased by the departments at any one time, as opposed to the 7,500 presently in the law; and

(d) The extension of this authority only until the end of fiscal year 1965.

Section 810—Housing

Section 810 of the National Housing Act of 1961 authorized special financing under FHA-insured mortgages of off-post private rental housing for military and essential civilian personnel. Under existing law, no Department of Defense certification as to need is required. However, the department nonetheless issues certificates of eligibility which identifies individuals qualified for such housing and also provides the Administrator of the Federal Housing Administration data and supporting requirements for additional off-post housing for military and civilian personnel.

Unlike other FHA-insured mortgages, the Administrator in insuring mortgages under section 810 of the Housing Act, is not required to make a determination of economic soundness. It is understood that as of October 30 of this year there were under construction or in the application stage, approximately 2,800 units of housing proposed for financing under section 810. In addition, there were approximately 1,600 units which were in the so-called preapplication stage.

While no certification is required on the part of the Defense Department as to the need for 810 housing, the activities of the department are tantamount, in the opinion of both the House and Senate conferees, to certification.

The Senate, therefore, included in its bill a provision which would require the Department of Defense to obtain line item authorization in the annual Military Construction Authorization Act before endorsing any future requirements for this type of housing. The House conferees concurred in this Senate action and, therefore, accepted section 510 of the Senate bill without change.

Thus, with the exception of those projects which were in the preapplication stage prior to enactment of this act, the Department of Defense shall not participate in the planning and development of any project sponsored under the provisions of section 810 of the National Housing Act without obtaining specific line item authorization in the annual Military Construction Authorization Act.

Pulse nuclear reactor facility, Aberdeen, Md.

The Department of the Army had requested authorization to construct a pulse nuclear reactor facility at the Aberdeen Proving Ground in the amount of $2,174,000. A similar private facility was proposed for construction by New York State authorities who are of the opinion that their proposed facility could satisfactorily handle the requirements of the Defense Establishment, thus eliminating the necessity for the construction of the Government facility.

The House in acting on this portion of the bill, agreed to defer action to afford representatives of the Department of the Army and representatives of the New York State authorities an opportunity to make a study to determine whether the private facility would, in fact, provide for the needs of the

Army. The House, therefore, deferred action to the Senate in this matter. The Senate received detailed testimony from representatives of both the Department of Defense and the New York State authorities on this project.

Testimony from Army witnesses indicated that they have an estimated requirement for 5,500 hours operating time per year, and it is estimated that private industry has a requirement for an additional 1,500 to 4,500 hours, and yet a reactor can operate safely only 2,600 hours per year without creating a condition of dangerous radioactivity.

In view of this testimony, the Senate was of the opinion that the requirements for a facility of this type were so great that there would be no problem of competing capacity in the two proposed facilities. Therefore, the Senate granted the request of the Department of the Army for authorization to construct this facility in the amount of $2,174,000. The House conferees agreed to the Senate action.

Fort Myer, Va.

The Senate restored $4 million of the $9.1 million denied by the House for a dispensary and barracks complex at Fort Myer. The Senate concurred in the House action in not approving the proposed dispensary. However, the Senate was of the opinion that requirements for the housing of bachelor military personnel in the Washington area justified approval of the remainder of the project. The House conferees receded from their position and accepted the Senate amendment.

Redstone Arsenal, Ala.

The Senate restored $3,390,000 denied by the House for the "guidance control and aeroballistics laboratory" at the Redstone Arsenal. Secretary of Defense McNamara made a special appeal to the Senate for restoration of this item, pointing out that continued progress in the field of missiles is dependent upon the upgrading of our research and development facilities. The House conferees, therefore, receded from their position and accepted the Senate amendment.

Naval Shipyard, Bremerton, Wash.

The Senate restored $1,060,000 for a 50-ton crane at the carrier repair site, Bremerton, Wash. The Senate conferees pointed out that an annual savings of $364,000 will result from use of this crane in connection with a new modern drydock constructed at Bremerton. The House conferees, therefore, receded and accepted the Senate amendment.

Naval radio station, Sugar Grove, W. Va.

The Senate restored $3,480,000 requested by the Navy to permit the transfer of Navy radio receiving facilities from Cheltenham, Md., to Sugar Grove, W. Va. The Senate conferees pointed out that due to continually rising high noise levels at the existing installation, the receiving facilities at Cheltenham must be moved to another location. Since the Sugar Grove site is ideally suited for this purpose, advantage can be taken of the existing investment of the Navy at this present location. The House receded from its position and accepted the Senate amendment.

Classified naval installations

The Senate authorized four construction projects for naval installations at Puerto Rico in the amount of $8,437,000. These items had previously been deleted by the House. The House conferees insisted that these projects could be properly deferred until the fiscal year 1965 program. The Senate conferees receded from their position and accepted the House deletion.

The Senate deleted two projects for Rota, Spain, and a communication facility at another location in the total amount of $10,351,000. These items had previously been approved by the House. The Senate conferees pointed out that these projects could safely be deferred until the fiscal year 1965 program. The House conferees receded from their position and accepted the Senate deletions.

As a consequence of the foregoing changes, the authorization to the Secretary of the Navy for the development of classified naval installations was reduced from $71,532,000 to a new figure of $63,095,000.

Randolph Air Force Base, San Antonio, Tex.

The Senate authorized $3,044,000 for construction and related improvements at this location. The House had previously authorized only $1,475,000. The major difference in the House and Senate action was the refusal of the House to provide $2,087,000 required for alterations to the headquarters building at Randolph to house all Air Force personnel management facilities at that location.

The Senate conferees were of the opinion that the increased management efficiency and economies that would result from the centralization of personnel management facilities at Randolph would more than justify the construction cost involved in this relocation. The House conferees, therefore, receded from their position and accepted the Senate amendment.

Laredo Air Force Base, Laredo, Tex.

The House had provided authorization in the amount of $3,134,000 to be accomplished at an air training command facility to be selected by the Department of Defense. The House Committee on Armed Services in testimony provided it by witnesses of the Department of the Air Force was of the opinion that this construction would be effected at Laredo Air Force Base. This opinion was subsequently confirmed by correspondence received from the Department. Subsequently, the Senate in acting on this authorization request, deleted the item in its entirety.

The House conferees pointed out that a serious deficit in the number of pilots in the Air Force will exist throughout the foreseeable future unless the production of new pilots is increased. The House conferees also pointed out that Laredo Air Force Base is ideally suited for this purpose. However, construction is required to insure appropriate training facilities for the pilot training which should occur at this base.

The Senate conferees were of the opinion that this entire project could be deferred another year. After considerable discussion, the conferees agreed to provide the first increment of construction authorization for Laredo Air Force Base amounting to $275,000. This authorization would permit the elimination of a lighting deficiency on the runway approach to the base.

The remaining line items for Laredo Air Force Base which were deferred should be resubmitted by the Department for reconsideration by the House in connection with the Department's fiscal year 1965 construction authorization request. Thus, this item will be given new consideration in the next 90 days.

Bolling Air Force Base, Washington, D.C.

As in the case of Fort Myer, Va., the Senate believed that some provision must be made to provide adequate quarters for bachelor military personnel in the Washington area and, therefore, restored $4 million of the amount requested for troop housing at Bolling Air Force Base. The original request made by the Department and deleted by the House amounted to $6.9 million. The House receded from its position and accepted the Senate amendment.

SUMMARY OF THE BILL

Differences in dollar authorization

As the bill passed the House, the total authorities granted amounted to $1,636,828,000.

The corresponding authority granted in the Senate version of the bill totaled $1,685,861,380, or $49,033,380 more than the House version.

The total agreed to by the conferees is $5,425,000 more than the House version and $43,608,000 less than the Senate version.

Total authorization, fiscal year 1964, as approved by House-Senate conferees

New authorization:	
Title I (Army)	$199,633,000
Title II (Navy)	202,462,000
Title III (Air Force)	488,367,000
Title IV (Defense agencies)	24,403,000
Title V (housing)	685,312,000
Subtotal	1,600,177,000
Deficiency authorization:	
Title I (Army)	3,209,000
Title II (Navy)	87,000
Title III (Air Force)	166,000
Total	3,462,000
Title VII (Reserve components):	
Army National Guard	7,500,000
Army Reserve	4,700,000
Naval and Marine Corps Reserve	5,700,000
Air National Guard	15,970,380
Air Force Reserve	4,600,000
Total	38,470,380
Deficiency authorizations:	
Army National Guard	84,000
Army Reserve	60,000
Total	144,000
Grand total of all authorizations	1,642,253,380

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F. EDWARD HÉBERT,
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WILLIAM H. BATES,
Managers on the Part of the House.

Mr. VINSON. Mr. Speaker, I will be delighted to yield at any time to answer any questions from any Member of the House.

Mr. Speaker, I am happy to report to the House that the Senate-House conferees on the proposed Military Construction Authorization Act for fiscal year 1964 have met and resolved the differences in the House and Senate versions of H.R. 6500.

LEGISLATION IN CONFERENCE

On June 5, 1963, the House of Representatives passed H.R. 6500, which was the fiscal year 1964 military construction authorization for the Department of Defense, and the Reserve components. On October 22, 1963, the Senate considered the legislation and amended it by striking all language after the enacting clause, and wrote a new bill.

DIFFERENCES IN DOLLAR AUTHORIZATION

As the bill passed the House, the total authorities granted amounted to $1,636,828,000.

The corresponding authority granted in the Senate version of the bill totaled $1,685,861,380, or $49,033,380 more than the House version.

The total agreed to by the conferees is $5,425,000 more than the House version,

and $43,608,000 less than the Senate version.

The grand total of all authorizations agreed to by the conferees was $1,642,253,380.

The authorization approved by the conferees is substantially less than that requested by the Department of Defense. The departmental request amounted to $1,900,610,000. The action of the conferees, therefore, resulted in a reduction in this departmental request of $258,356,620.

In effecting the reductions included in the $258 million, both the House and Senate were required to review in detail approximately 1,400 individual projects involving more than 400 different military installations.

As a consequence of a very intensive review by the House Committee on Armed Services, hundreds of reductions were made to the departmental request. It is gratifying to note that the Senate bill reflected practically complete concurrence with the House action since there existed only 59 differences in the House and Senate action on H.R. 6500.

MAJOR ITEMS IN CONTROVERSY

The bulk of the differences in the House and Senate bills occurred as a consequence of the Senate action which authorized the construction of 12,220 units of family housing as opposed to the 10,000 units approved by the House. The increased housing proposed by the Senate amounted to $37,581,000.

MILITARY FAMILY HOUSING

The Department of Defense had requested congressional approval of fiscal year 1964 military family housing program amounting to 12,100 units. The Department pointed out that there presently exists a shortage of approximately 62,000 units of military family housing and, therefore, it was proposed that this shortage should be eliminated by the initiation of a construction program over a 5-year period with annual increments of approximately 12,000 new units of military family housing each year.

The House concurred in the requirement for 62,000 new units of military family housing but proposed that this be accomplished over a 6-year program rather than a 5-year program recommended by the Departments. However, the Senate was of the opinion that the Departments should be provided with sufficient construction authority to accomplish this program in 5 years and, therefore, authorized the construction of 12,220 units of military family housing for fiscal year 1964.

House conferees pointed out that the Department of Defense and the military departments have demonstrated an inability to expeditiously execute previously granted housing authorizations. Therefore, it was the opinion of the conferees, the Senate conferees concurring, that the authorization for military family housing for fiscal year 1964 should be kept at the level previously established by the House.

The conferees, therefore, agreed to authorize a total of 10,140 new units of military family housing for inclusion in the fiscal year 1964 military construction authorization program. This figure is identical with the authorization provided by the House with the addition of 120 units of housing required by military personnel assigned to the base at Fort Myer, Va., and 20 units of family housing required by the restoration of a Navy project at Sugar Grove, W. Va.

The conferees recognized the urgent requirement for additional family housing at many other military installations including Fort Leonard Wood, Mo., and Griffiss Air Force Base, N.Y. However, it was agreed to defer these projects until the fiscal year 1965 program in accordance with priorities previously established by the Department of Defense.

In connection with the desire of the Congress that the military departments make every effort to expeditiously execute the housing authorizations provided them, there was included in both the House and Senate bills a provision which would repeal all housing authorizations which remain unused after a period of 15 months.

As a consequence of the foregoing action, the housing authorization provided the military departments was reduced by $35,131,000 which accounts for the major dollar difference in the House and Senate bills.

PULSE NUCLEAR REACTOR FACILITY, ABERDEEN, MD.

The Department of the Army had requested authorization to construct a pulse nuclear reactor facility at the Aberdeen Proving Ground in the amount of $2,174,000. A similar private facility was proposed for construction by New York State authorities who are of the opinion that their proposed facility could satisfactorily handle the requirements of the Defense Establishment, thus eliminating the necessity for the construction of the Government facility.

The House in acting on this portion of the bill, agreed to defer action to afford representatives of the Department of the Army and representatives of the New York State authorities an opportunity to make a study to determine whether the private facility would, in fact, provide for the needs of the Army. The House, therefore, deferred action to the Senate in this matter. The Senate received detailed testimony from representatives of both the Department of Defense and the New York State authorities on this project.

Testimony from Army witnesses indicated that they have an estimated requirement for 5,500 hours operating time per year, and it is estimated that private industry has a requirement for an additional 1,500 to 4,500 hours, and yet a reactor can operate safely only 2,600 hours per year without creating a condition of dangerous radioactivity.

In view of this testimony, the Senate was of the opinion that the requirements for a facility of this type were so great that there would be no problem of competing capacity in the two proposed facilities. Therefore, the Senate granted the request of the Department of the Army for authorization to construct this facility in the amount of $2,174,000. The House conferees agreed to the Senate action.

NAVAL RADIO STATION, SUGAR GROVE, W. VA.

Another item of possible interest to Members of the House occurred in connection with the proposed establishment of radio receiving facilities at Sugar Grove, W. Va.

As Members of the House will recall, the Navy had requested $3,480,000 for this purpose. This request was denied by the House since it was of the opinion that the project could properly be deferred for another year. The Senate, however, approved this request and authorized $3,480,000 of construction authority for this purpose.

The Senate conferees pointed out that the relocation of the receiving facilities from Cheltenham, Md., would inevitably be required because of the continually rising high-noise levels at that installation. Therefore, the Senate conferees saw no particular advantage in delaying initiation of this relocation particularly in view of the desirability of utilizing the Sugar Grove site.

In deference to the position of the Senate, the House conferees receded from their position and concurred in the authorization.

SUMMARY OF THE BILL

In summary, the military construction authorization provided each of the services for new projects are as follows:

Active forces	
Army	$199,633,000
Navy	202,462,000
Air Force	488,367,000
Defense agencies	24,403,000
Housing	685,312,000
Total	1,600,177,000

Details concerning the authorization for all the titles in the bill are contained in the conference report which has been printed in the CONGRESSIONAL RECORD.

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

Mr. VINSON. I am delighted to yield to my friend from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding. The House will shortly be confronted with a bill to provide an increase of about 40 percent in expenditure for the Disarmament Agency. If we are going to build up a super-duper Disarmament Agency, I wonder when we will begin to cut back on military spending. If we are going to disarm, when are we going to cut back on military spending?

Mr. VINSON. I do not know when any disarmament program is coming in. I am not disturbed about that at this time, because I am hoping that the country will continue to maintain a strong and an adequate national defense. Thereby we will be on a more stable road of peace than if we had some kind of disarmament agreement.

Mr. GROSS. Mr. Speaker, I thoroughly agree with the gentleman that the defenses of the country must be kept effective. But I cannot understand this contradiction. I simply cannot understand why we should increase the spending for disarmament by something like 40 percent and continue to spend the same amount of money, or even more, for the Military Establishment.

Mr. VINSON. I know of no large expenditure being made for disarmament.

Here in the defense budget we have over $52 billion for preparedness and for the defense of the country. I ask my distinguished friend how much and what committee is bringing in legislation for the disarmament program?

Mr. GROSS. The Foreign Affairs Committee, of course.

Mr. VINSON. Oh, well, the Foreign Affairs Committee may have had some hearings on it but not much progress has been made to my knowledge.

Mr. GROSS. I might add that it is one of the best giveaway committees of the Congress.

Mr. VINSON. I make no comment in respect to that.

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

Mr. VINSON. I yield to the gentleman from New York.

Mr. FARBSTEIN. Will the gentleman tell the Members of the House what this 40-percent increase in disarmament actually amounts to in dollars and cents as compared to the amount of money being spent for defense?

Mr. GROSS. If the gentleman from Georgia will yield further, I do not think that argument is valid at all and I have said so in the committee.

Mr. FARBSTEIN. You may not think it is valid but you are spending only an additional amount of $2 million and are not spending billions of dollars for disarmament. I do not think that is a basis for quarreling. I think the country can afford to spend $2 or $3 million for disarmament despite the cost of defense.

Mr. VINSON. I think the Committee on Armed Services will be in the picture when the subject matter of disarmament comes along. Now, I have seen some disarmament programs which have been brought into existence in the years in which I have served here. I have seen our country, in the interests of disarmament, elect to scrap ships and later on I saw us get into World War II because we had disarmed and had not provided adequately for our defense.

I hope the Committee on Armed Services will be alert, and I know they will, and see that this country remains adequately prepared. So, I am not disturbed in the slightest degree about any major inroads being made by advocates of disarmament that is going to affect the security of this country.

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

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. I think the gentleman will agree with me that it does not make any difference whether we are spending $15 million a year on a disarmament agency and $50 billion a year on the Defense Department. I do not think the relative expenditure is a valid argument. If there is waste in either place it ought to be cut out.

Mr. VINSON. That is right. Why, of course, it should.

Mr. GROSS. This is my argument.

Mr. FARBSTEIN. If the gentleman will yield further, I will go along with the gentleman from Iowa on that. But I do not think we ought to equate a paltry $2 or $3 million for disarmament when we talk about spending $50 billion a year for defense.

Mr. VINSON. Mr. Speaker, if there are no further questions from any Members of the House, I shall ask my distinguished colleague, the gentleman from Illinois [Mr. ARENDS], if he cares to use any time.

Mr. ARENDS. I will say to the gentleman from Georgia [Mr. VINSON] I do not care to use any time. Because of the gentleman's explanation of the bill I trust the House is satisfied with the action taken by the conferees and I heartily endorse the report.

Mr. VINSON. Mr. Speaker, before yielding the floor I want to thank the members of the Committee on Armed Services and the conferees for the outstanding work they have accomplished in connection with providing the military construction authority for fiscal year 1964.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. BOGGS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 356, nays 1, not voting 76, as follows:

[Roll No. 188]

YEAS—356

Abbitt
Addabbo
Albert
Alger
Anderson
Andrews, Ala.
Arends
Ashley
Aspinall
Auchincloss
Avery
Baker
Baldwin
Barrett
Barry
Bass
Bates
Battin
Becker
Beckworth
Beermann
Belcher
Bell
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Blatnik
Boggs
Boland
Bolling
Bolton, Frances P.
Bolton, Oliver P.
Bow
Brademas
Bray
Brock
Bromwell
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Burke
Burkhalter
Burleson
Byrne, Pa.
Cahill
Cameron
Carey
Casey
Cederberg
Chamberlain
Chelf
Chenoweth
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cohelan
Collier
Conte
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Dague
Davis, Ga.
Davis, Tenn.
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Dingell
Dole
Dorn
Downing
Dulski
Duncan
Dwyer
Edmondson
Edwards
Elliott
Ellsworth
Evins
Farbstein
Fascell
Feighan
Findley
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Ford
Foreman
Forrester
Fountain
Friedel
Fulton, Pa.
Fulton, Tenn.
Gallagher
Gary
Gathings
Giaimo
Gibbons
Gilbert
Gill
Glenn
Gonzalez
Goodell
Goodling
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Grover
Gubser
Gurney
Hagen, Calif.
Haley
Hall
Halleck
Halpern
Hanna
Hansen
Hardy
Harris
Harrison
Harsha
Harvey, Ind.
Harvey, Mich.
Hawkins
Hays
Healey
Hébert
Hechler
Hemphill
Henderson
Hoeven
Holifield
Holland
Horton
Hosmer
Huddleston
Hull
Hutchinson
Ichord
Jarman
Jennings
Jensen
Joelson
Johansen
Johnson, Calif.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Kastenmeier
Kee
Keith
Keogh
Kilgore
King, Calif.
King, N.Y.
Kirwan
Kluczynski
Knox
Kunkel
Kyl
Laird
Landrum
Langen
Lankford
Latta
Leggett
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
Lloyd
Long, Md.
McClory
McCulloch
McDade
McDowell
McFall
McIntire
McLoskey
McMillan
Mahon
Mailliard
Marsh
Martin, Calif.
Martin, Mass.
Martin, Nebr.
Mathias
Matsunaga
Matthews
Meader
Michel
Milliken
Mills
Minish
Minshall
Monagan
Montoya
Moore
Moorhead
Morgan
Morris
Morrison
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Morton
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nelsen
Nix
Norblad
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neill
Osmers
Ostertag
Passman
Patman
Patten
Perkins
Philbin
Pike
Pillion
Pirnie
Poage
Poff
Pool
Powell
Price
Pucinski
Purcell
Quie
Quillen
Rains
Reid, N.Y.
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Rich
Rivers, Alaska
Rivers, S.C.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney, Pa.
Rooney, N.Y.
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Roybal
Rumsfeld
Ryan, Mich.
Ryan, N.Y.
St. George
St Germain
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Secrest
Selden
Senner
Short
Sickles
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Va.
Snyder
Springer
Staebler
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taft
Talcott
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Trimble
Tuck
Tupper
Tuten
Udall
Utt
Van Deerlin
Vanik
Van Pelt
Vinson
Waggonner
Wallhauser
Watson
Weaver
Weltner
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Bob
Wilson, Charles H.
Wilson, Ind.
Wright
Wyman
Young
Younger

NAYS—1

Curtis

NOT VOTING—76

Abele
Abernethy
Adair
Andrews, N. Dak.
Ashbrook
Ashmore
Ayres
Baring
Bonner
Broyhill, Va.
Bruce
Buckley
Burton
Byrnes, Wis.
Cannon
Celler
Colmer
Daddario
Daniels
Dawson
Diggs
Donohue
Dowdy
Everett
Fallon
Fraser
Frelinghuysen
Fuqua
Garmatz
Grabowski
Grant
Gray
Hagan, Ga.
Harding
Herlong
Hoffman
Horan
Karth
Kelly
Kilburn
Kornegay
Long, La.
Macdonald
MacGregor
Madden
May
Miller, Calif.
Miller, N.Y.
O'Brien, Ill.
Pelly
Pepper
Pilcher
Randall
Reid, Ill.
Riehlman
Roberts, Ala.
Roberts, Tex.
St. Onge
Scott
Shelley
Sheppard
Shipley
Shriver
Sibal
Skubitz
Stafford
Stinson
Taylor
Thompson, La.
Tollefson
Ullman
Watts
White
Winstead
Wydler
Zablocki

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Buckley with Mr. Adair.
Mr. St. Onge with Mrs. Reid of Illinois.
Mrs. Kelly with Mrs. May.
Mr. Randall with Mr. Ayres.

Mr. Grabowski with Mr. Byrnes of Wisconsin.
Mr. Donohue with Mr. Stafford.
Mr. Daniels with Mr. Frelinghuysen.
Mr. Harding with Mr. Kilburn.
Mr. Ashmore with Mr. Ashbrook.
Mr. Abernethy with Mr. Sibal.
Mr. White with Mr. Broyhill of Virginia.
Mr. Scott with Mr. Miller of New York.
Mr. Baring with Mr. Abele.
Mr. Karth with Mr. Hoffman.
Mr. Shelley with Mr. Horan.
Mr. Long of Louisiana with Mr. Burton.
Mr. Sheppard with Mr. Bruce.
Mr. Daddario with Mr. Andrews of North Dakota.
Mr. Garmatz with Mr. MacGregor.
Mr. Gray with Mr. Tollefson.
Mr. Shipley with Mr. Shriver.
Mr. Thompson of Louisiana with Mr. Pelly.
Mr. Kornegay with Mr. Stinson.
Mr. Roberts of Texas with Mr. Riehlman.
Mr. Roberts of Alabama with Mr. Zablocki.
Mr. Celler with Mr. Miller of California.
Mr. O'Brien of Illinois with Mr. Diggs.
Mr. Fallon with Mr. Dawson.
Mr. Madden with Mr. Watts.
Mr. Macdonald with Mr. Ullman.
Mr. Bonner with Mr. Dowdy.
Mr. Fuqua with Mr. Grant.
Mr. Hagan of Georgia with Mr. Herlong.
Mr. Everett with Mr. Pepper.
Mr. Pilcher with Mr. Fraser.
Mr. Winstead with Mr. Taylor.
Mr. Colmer with Mr. Skubitz.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ONE-YEAR EXTENSION OF MEXICAN FARM LABOR PROGRAM

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 544 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8195) to amend section 510 of title V of the Agricultural Act of 1949, as amended. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 8195, the Committee on Agriculture shall be discharged from the further consideration of the bill S. 1703, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 8195 as passed.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH], and pending that I yield myself 5 minutes.

Mr. Speaker, House Resolution 544 makes in order the consideration of H.R. 8195 to amend section 510 of title V of the Agricultural Act of 1949, as amended. It provides for 2 hours of general debate and an open rule.

Mr. Speaker, this bill is a very simple, 3-line bill which simply says that section 510 of the Agricultural Act of 1949, as amended, is amended by striking "December 31, 1963," and inserting "December 31, 1964."

Mr. Speaker, this is the second time this year that we have gone to the well on this subject. We marched up the hill last May with a 2-year extension or a proposed 2-year extension of the Mexican farm labor program. That bill was defeated.

The Committee on Agriculture, after consideration, has brought back to the floor for consideration today a simple 1-year extension of the act.

Mr. Speaker, during the 12-year history of Public Law 78 it has gone through a somewhat tempestuous career. It has been condemned very vigorously as actually allowing indentured slave labor and it has been lauded on the other hand as being an outstanding act which provides for the orderly harvesting of our crops in this country, plus being of great benefit to our neighbor to the south, the Republic of Mexico.

Mr. Speaker, it is my opinion that it is neither as lily white as it has sometimes been pictured, nor is it as black as some of the opponents would lead you to believe.

This bill was originally enacted into law by the Congress to meet a very grave need at that time, a need for farm labor which simply did not exist and was not available. It, over the years, in my opinion has done a very good job. I think it has met the objectives sought to be obtained by the enactment of the law. The agricultural industry has made great progress in the past 12 years and today we find a great many crops which are being not only grown but are being harvested with machinery and with other equipment, by automation so to speak, in which very little, if any, hand labor is used.

However, Mr. Speaker, there are still certain areas in which all of our mechanical genius and scientific know-how have not been able to meet the need and there are still certain types of crops that must be harvested by hand. Because of this need for stoop labor, labor of the very hardest kind and the most unpleasant type of work, it is still necessary in order to meet the demands of the American housewife.

Mr. Speaker, let me say in defense of this program that any arbitrary stopping or cutting off of this program in my opinion is going to affect not only the quantity of the vegetables, the fruits, and other commodities which the housewife will find on the shelves throughout the United States, it is going to affect the quality and it is certainly, in my opinion—I would like to say to my friends from the metropolitan areas—going to affect the cost to the American consumer.

I think these are fundamental things with which we are all concerned.

In analyzing the ups and downs of this particular program over the years, frankly I think most of us have come to the conclusion that the time has come when it is esssential that the agricultural industry and the Congress must come up with an alternative program. It may be that we have done a poor public relations job. It may be for a number of causes, such as a few abuses here and there, but I think those abuses have been played up out of all proportion to their importance. Because of these things there is no question but what the program is under heavy attack. But, as I said before, it is not nearly so black as has been pictured. But many of us are coming to the conclusion that the time has come to serve notice on the American farmer that he and we combined must come up with an alternative program, a way to meet the needs of producing and harvesting the required food and fiber for the American people. And so I come to the floor today to ask you to support this rule and support the bill, H.R. 8195, for a 1-year extension, which will give us at least 1 year to phase out this program.

I had hoped to be able to support a 3-year program, but the committee found it impossible to come up with a 3-year phaseout. We are faced with a 1-year extension which for all practical purposes will be a phaseout program. So I ask you to support this legislation to give us at least that 1 year. Otherwise an arbitrary cutting off as of the first of the year is going to lead to hardship, not only for the farmer but in many instances for labor, particularly that labor involved in processing, in the canning industry, and so forth. If the vegetables do not flow to these processing plants labor does not have work and the housewife will not have a commodity at a reasonable price to purchase off the shelves of the markets of this country.

So I am here asking for this 1-year extension, and this will be the last time I shall enter the well to ask for an extension of this particular act. We have come to the end of the line. It was indicated during the time of our last debate by both the gentleman from California [Mr. SMITH], and myself, that we would ask you to support that 2-year program for the last time. At that time someone indicated to me that 2 years ago I made the same request, but let me say at that time I qualified those remarks on the basis that certain abuses be stopped and that the Labor Department do a better job of administering the program. Many of us have worked with the Labor Department and we feel there has been improvement. But may I say to my friends and colleagues in this House, this is the end of the program. If we can get this 1-year extension there will be 12 months in which to adjust the problem in order to try to come up with an alternative program that would do the job.

On that basis I ask for support of the rule and on final passage the adoption of the bill H.R. 8195.

Mr. SMITH of California. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, House Resolution 544 will provide for 2 hours general debate on an open rule for the consideration of H.R. 8195, which is a 1-year extension of the Mexican farm labor program. This is more commonly referred to as the

bracero program. The rule also provides that upon passage of H.R. 8195 the language may be substituted into S. 1703.

Section 510 of title V of the Agricultural Act of 1949 permits the temporary entry of Mexican nationals into the United States for employment as agricultural workers under the supervision and control of the Secretary of Labor and pursuant to formal agreements between the Government of the United States and the Republic of Mexico. It has been in effect since July 12, 1951, and has been extended on several occasions, usually for periods of 2 years. The law is due to expire on December 31, 1963.

This matter, as all Members know, was previously considered in H.R. 5497 on May 29, 1963. That bill would have extended the program for 2 years. It failed by a vote of 158–174.

The other body subsequently passed S. 1703 which, in addition to extending the program, contains certain additional restrictions. As I understand it, this was not acceptable to a majority of the House Agriculture Committee so they approved this measure, namely, H.R. 8195, which will extend the act for 1 year until December 31, 1964.

Members of your Rules Committee have certain reservations relative to bringing a subject to the House floor for a second time during any one year. However, the majority of the members of the Rules Committee did feel that due to the arguments in favor of continuing this program for 1 more year, it was believed desirable to bring this measure to the floor for your consideration. I feel certain that every Member is well aware of this program, and in all probability is ready to vote forthwith. Possibly no votes will be changed one way or another by the debate, but I would like to mention a few reasons why I feel that we should extend this program for 1 more year.

First let me state that I do not have any agricultural facilities in my district. It is entirely urban. So from that standpoint there is no personal interest in the program. But I can see that stopping this program on December 31, 1963, would very likely cause some serious damage to those engaged in certain agricultural operations in various areas in the United States as well as to the consumer.

In the Los Angeles Times of Friday, October 25, 1963, it is reported that the Imperial Valley lettuce growers in California claim that if the bracero program ends on December 31, 1963, they may well lose most of their $12 million planting costs. This amount in lettuce has already been planted, and it is to be harvested between December 1963 and March 1964. If the bracero labor is not available, the growers report that American fieldworkers cannot be obtained to harvest the lettuce and that their entire investment of $12 million could well be lost. This, in turn, could bring about a shortage in the lettuce crop and a higher price to the consumer for that which is available. This could cause a loss in taxes to the State of California and the U.S. Government, both of which seem to be operating at a deficit each year, which would indicate that this loss in revenue would be detrimental. This is only one example, and I am certain that proponents of the bill will offer further concrete examples during the general debate.

As I mentioned, Mr. Speaker, no braceros are used in my 20th Congressional District. But, in studying the arguments both for and against this measure, I do have a deep sympathy for the growers for this additional 1-year period.

In a somewhat analogous situation, I find that for the first time in 15 years in the legislative field I am in difficulty in my district in connection with a flood control project. For all practical purposes, I am at the mercy of the distinguished gentleman from Tennessee [Mr. DAVIS] and a Member of the other body, and the members of the Public Works Committee to resolve the problem. I mentioned this last week when we considered H.R. 8667, a project as part of the Los Angeles-San Gabriel flood control basin as heretofore authorized up to July 31, 1963, for the purpose of constructing certain drainage down certain residential streets in Glendale and Burbank, Calif. The contract was let early this year, and the authorization has now expired, with the result that the work has practically stopped, and thousands of people will be unable for many more months to get their automobiles into their homes, to receive deliveries, and to live a normal life.

Balboa Elementary School is on this street. It is attended by several hundred children from kindergarten through the sixth grade. Those who live in homes across the street from the school find that they have to line up each morning and walk across a temporary bridge in order to attend school. I mention this to indicate that in emergency situations such as this, a Member can find himself in a position where he needs the assistance of other Members to help him out. I feel that it is possible for any Member to find himself in a difficult position at some time whereby he will need the assistance of others to help him out in an emergency situation. Those Members whose districts use braceros are now in this difficult position.

It can, of course, be stated that this program is due to expire on December 31, 1963; that the growers were aware of it and should have made their plans accordingly. But, it has not worked out this way because it has always been continued in the past, and they did not have any reason to believe that it would not be continued until May 29, 1963, when the previous measure was defeated. Although I am not an expert on farming or agriculture, it is my understanding that agriculture programs are planned well in advance for a year or more. That is why the lettuce growers find themselves in the position they are in so far as harvesting their crops during the early months of 1964 are concerned. If this program is extended for 1 more year, then they will be given a fair advance notice and they can make their future agricultural operations in accordance therewith.

My sympathy in support of the program for this 1-year continuance has further been recently brought to my attention from a personal standpoint. My father passed away in January of this year, and among the family assets are certain farms. One farm in Illinois which, incidentally, does not use any braceros, is under lease until the end of February 1965. This is on a 3-year lease. Two months ago the tenant wrote to me and requested that I extend this lease for another 3 years. I told him that due to probate, it would not be possible for me to extend it for 3 years until the probate was completed. He insisted that he be advised as to whether or not he could have it for 1 additional year after February 28, 1965, stating that he is now planning his 1965 crop year. I did not know that it was necessary for him to make plans that far in advance, but after his explanation, I assured him the lease would be extended for at least 1 more year until February 1966 and that prior to October 1, 1964, I would notify him as to whether or not the lease would be extended past February 1966 so that he could make his plans accordingly. He was very pleased with my decision.

So, Mr. Speaker, I would plead with those Members who are opposed to this program that they give serious consideration to accepting and supporting this 1-year extension. I realize that to do so would cause them to vote differently than they did on May 29, 1963. It seems to me this can be justified from the standpoint that growers must make their plans well in advance and that to abruptly halt this program on December 31, 1963, with such short notice is unfair.

The gentleman from California [Mr. SISK] has made the statement to the effect that this is the last extension he will support. He is well aware of the California situation and is a member of the Rules Committee, and I am satisfied that without his support this program cannot again be continued. So, I believe, Mr. Speaker, that this 1-year extension will undoubtedly bring this program to a close, and I would urge the Members who are opposed to the program to try and see if their fair conscience will permit them to support this one further extension.

I have requests for time, Mr. Speaker, and accordingly reserve the balance of my time.

Mr. SISK. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Speaker and Members of the House, over 5 months ago, after five previous extensions, the House voted to terminate the importation of Mexican farm laborers under Public Law 78, a measure which had originally been enacted, as we all know, in 1951 to meet a temporary wartime emergency. This bill, therefore, should not even be before us today, and on final passage I urge all of you to join in reaffirming the wisdom of our earlier decision.

Proponents of this program, of course, will argue that this is a different bill; that all they are asking for this time is

for a 1-year extension. At this point I would like to remind Members in arguing this matter in earlier years that I personally introduced a phasing-out amendment which involved a 1- to 3-year phaseout, and at that time it was very flatly rejected. I suspect there are Members of the House here today who, although they will be very happy to accept a 1-year extension, still in their hearts want a permanent program.

On the five previous extensions, Mr. Speaker, every one of them argued that this was the last time. They document their intentions to continue this temporary program indefinitely. Spokesmen before the House Committee on Rules earlier this month already made the comment that if this bill is passed, they will be back next year requesting still further continuations.

Mr. Speaker, the facts which caused the House to terminate the program 5 months ago still exist. A bill calling for another 1-year rather than a 2-year extension certainly does not alter these facts. They are as valid today as they were at that time. In fact, in many ways the situation is even worse today and even greater justification exists for termination because more farm jobs, nearly 300,000 of them, were lost this year as a result of automation, and more family-type farms were forced to shut down through inability to compete with subsidized agricultural giants.

In brief, Public Law 78 has fed on poverty conditions in Mexico, while it has increased unemployment and destitution among farmworkers. I want to urge Members to read the minority report, because it fully documents most of the things which I am going to say and have already said.

May I also call your attention to the fact that in the RECORD of yesterday, October 30, 1963, on pages 20641 through 20644, I put into the RECORD an article which points out some of the efforts that have been made by some farsighted growers in my own great State of California to meet the problem of farm labor recruitment. In addition to that, I have inserted data which shows what farm labor rates are in the entire United States.

I challenge you to look at that series and tell me that these wage rates by State and by region are an adequate wage offering for an industry as large as agriculture in this country.

In addition to that, we have inserted the gross farm income figures. We have the percent of expense as a portion of gross farm income to show that the labor component in terms of total cost is a very small portion of it indeed and could in fact be raised.

Mr. Speaker, the mass importation of braceros, nearly 250,000 in 1962, is one of the major reasons why American farmworkers are the poorest labor group in the United States today, a group which in 1962 had an unemployment rate of 7.3 percent and an additional underemployment rate of 9.5 percent; a group which in 1962 was able to work on the average only 134 days for the pittance income of $913.

Mr. Speaker and Members of the House, at the appropriate time I am sure the gentleman from New York [Mr. ROSENTHAL] will call this to the attention of the House. In a letter directed to the Department of Labor, he inquired about the position of the administration on this bill. I want here to remind Members that the administration is not supporting this extension in its present form. I shall quote from the letter, and I am sure it will be dealt with later on by our colleague, the gentleman from New York [Mr. ROSENTHAL]. I quote from the letter:

> The administration has continued to maintain the position I indicated before the House Subcommittee on Equipment, Supplies, and Manpower of the Committee on Agriculture on March 27. We support a 1-year extension provided the act is amended to require employers seeking to obtain Mexican workers to demonstrate that they have offered to domestic workers workman's compensation or occupation insurance coverage, housing, and transportation expenses equivalent to that furnished to Mexican workers.

I want to say to the Members of the House, many of whom in good faith have contacted me and asked me to help them on this problem, in every year that I have been in the House and have argued this question, I have made every effort to try to be reasonable on this question and to try to help out. And in every instance I have indicated that if on their side there were these appropriate amendments offered, I certainly would modify my position on this bill in terms of total termination but only if there were some effort made to show to me that we were making some reasonable effort to recognize the condition of domestic labor in the United States. It is quite evident by the record that on every occasion these overtures have been rejected.

Mr. Speaker, I think the most important testimony that has been given on this bill was given recently before the Senate committee by the Under Secretary of Labor. I want to quote what he said:

> The President also directed the Secretary of Labor to use the full scope of his authority under the law to institute policies which would safeguard domestic workers against adverse effect resulting from the use of Mexican workers.
>
> The availability of a large supply of alien workers has created an anomalous situation in our agricultural labor market seriously interfering with the free interplay of supply and demand. The certification which permits the admission of any alien workers into the United States for temporary employment must essentially be conditioned upon a shortage of available domestic labor. It is axiomatic that in such a normal labor shortage situation the bidding for available domestic labor would produce more competitive job offers. In these circumstances we could generally expect better terms and conditions of employment than would prevail in labor surplus areas.
>
> With an inexhaustible supply of alien workers at our very borders we find, conversely, that the terms and conditions of employment offered domestic workers not only remain static but in many cases are less favorable than those offered domestic workers in areas where no alien workers are employed. We find, further, the incredible situation where alien workers are offered better terms and conditions of employment than are afforded our own agricultural workers competing for the same jobs. The simple fact is that under the present system an employer can refuse to offer to domestic workers the same terms and conditions that he is required to offer alien workers. If the domestic worker refuses to accept the job at less favorable terms, the employer is permitted to bring in Mexican workers who are then afforded the very terms and conditions which were denied to our own workers.
>
> This situation exists basically because of the limited authority vested in the Department of Labor under Public Law 78. The legislative history of that law makes it abundantly clear that the Congress did not intend to permit the Secretary of Labor to require, as a condition of obtaining Mexican workers, that all of the same terms and conditions afforded Mexican workers be offered first to domestic workers. It is for this reason that we would oppose any further extension of Public Law 78 without amendments which would bring the required job offers made to Mexicans and to domestic workers more closely together.

Mr. Speaker, the very form of the importation makes a mockery of the adverse effect prohibition of Public Law 78. Growers offer work at a set wage, a wage which in one bracero-using area was as low as 60 cents an hour and until the adverse effect rate was adopted by the House and the Bureau of Employment Security began to enforce these rates, in one State of our Union the rate was as low as 35 cents and in this year the adverse effect forced up the rate to 60 cents an hour. I am very happy to say that as a result of this, this very same State that I am alluding to, a very active proponent of this bill, the rate has now actually gone up to 82 cents an hour which, of course, is still way below the average of any kind of living wage in this country. Such a wage is certainly not adequate to attract a sufficient number of domestic workers. They do not raise wages as would be the case in any other industry. What then, do they do? They merely ask the Federal Government to recruit Mexican farmworkers, and with the poverty existing in northern Mexico this is more than possible and we concede that they fight for the jobs. It is obvious that such a condition makes it impossible for the free enterprise system to operate to allow wages to be set by the law of supply and demand. It is furthermore obvious that no matter what reforms are put into effect—and the committee has rejected even the most modest amendments adopted by the Senate—the very existence of this law with its inexhaustible supply of cheap, docile labor is bound to have an adverse effect on wages and job opportunities for U.S. farmworkers.

We should be very clear as well, Mr. Speaker, that this program does not benefit American farmers as a whole. Rather, it is a subsidy for only 1 percent, and in the great majority of cases they are large, corporation-type farms, already heavily subsidized.

According to the most recent agricultural census, 88.4 percent of this Nation's farms use no or very little hired labor. These are hardly the people benefiting from the importation of 250,000 Mexican nationals.

But others would grieve to see Public Law 78 pass from the scene. The catering firms who provide board for Mexican nationals at $1.75 per person—the maximum allowed by the Government—would be very disappointed if the bracero program should be terminated. Why should they not be? For every $1.75 they receive they spend approximately 80 cents, and that is not a bad profit.

And what about the bracero himself? How is he treated? What about his freedom of association, for example? If braceros attempt to band themselves together, they are shipped back to Mexico. Freedom to move, perhaps? If braceros leave their assigned place, they are immediately sent home. Freedom to petition for redress of grievances? If braceros complain, they are blacklisted as troublemakers and returned. Freedom to have a family? Braceros are denied the right to family life so long as they remain in this country. And, 25 percent never return to their families in Mexico. Is it any wonder that this program has been denounced by a wide range of religious and civic groups?

Braceros, in brief, have no freedoms. They must work for whomever they are told, doing whatever they are told, for as long as they are told, under whatever conditions they are told. This is not a program of which we can be proud. It is a program which should be ended once and for all.

The charge is made, Mr. Speaker, that growers need Public Law 78; that American farmworkers will not do stoop labor. This simply is not true. It is an insult to American initiative and perseverance. Domestics harvest tomatoes in Pennsylvania; they chop cotton in Alabama; they harvest sugarbeets in Minnesota; and they pick lettuce in North Carolina—all work which braceros are hired to do elsewhere. And let me remind our colleagues again that coal mining is stoop labor and no one is suggesting that we import foreign labor for this task.

American farmworkers are available. Former Labor Secretary Arthur Goldberg reported that if rural unemployment and underemployment were calculated together it would total the equivalent of 1,400,000 fully employed persons, but wages must be raised to a minimumly decent level, and recruiting programs, not unlike Public Law 78 itself, must be inaugurated. Legislation to accomplish both of these goals is now before the Congress, and both economically and morally, I submit, this is where we should be placing our emphasis and attention.

As a matter of fact, intelligent planning and recruiting plus the provision of decent wages and working conditions have resulted in an adequate supply of domestic farmworkers. This has been demonstrated by the Tulare County Farmers Association, an organization of citrus growers in California's Fresno, Kern, and Tulare Counties. According to an article in the October 1963 issue of Western Fruit Grower, which appears on pages 20642–20643 of yesterday's RECORD, 90 percent of these growers now harvest their crops without the use of braceros or "green carders," relying exclusively on domestic workers for their supplementary needs.

And let us not forget that Public Law 78 is an added burden to the American taxpayer. While growers pay $15 per worker into a revolving fund for program operating costs, Labor Under Secretary John Henning stated on July 30 that the cost is now $18 per bracero. In addition, the American taxpayer subsidizes the 1 percent of our growers using Public Law 78 in still another way. Compliance or enforcement activities cost us $1,261,667 in fiscal year 1963 alone. For the last 5 years the figure has totaled nearly $5 million.

Mr. Speaker, this program has grievously injured American farmworkers and the great majority of American farmers. It is poor economics and outrageous social policy. It is an injustice which has been tolerated far too long, and I urge that when the final vote is taken it be given its just demise.

Mr. SMITH of California. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Speaker, let me clear up some of the confusion that has been caused by statements delivered against Public Law 78, commonly known as the bracero program.

Having served the last 3 years as a delegate to the United States-Mexican Interparliamentary Conference, I can state that the Mexican legislative and executive branch officials are interested in the effective administration and perpetuation of this program and do not feel that their nationals involved are being exploited, abused, underpaid, or in any fashion victimized. Furthermore, the effectively controlled use of braceros has eliminated the wetback problem and has been the main reason for keeping illegal entrants from Mexico to a bare minimum.

Representing as I do an urban area, I have been faced for many years with the tremendously complex economic and social problems caused by illegal entry into the country of Mexican nationals. When Mexican nationals enter the country illegally, they are subject to exploitation, bribery, and abuse due to their illegal status, and we can statistically trace a direct reduction in illegal entrants to effective administration of the bracero program.

One other point of confusion should be clarified. That is the relationship of the bracero program to domestic farm labor. The social problems inherent in family migration of domestic farm labor are not involved in the bracero program since in it we have only individual males without the resulting personal and social complications of family migration.

I believe this bracero program to be one of the most misunderstood issues facing the Congress. Anyone truly interested in the welfare of farm labor should support H.R. 8195 which provides for proper administration through necessary and effective inspection procedures, and, as I have indicated, serves a very effective role in eliminating the problems caused by illegal entrants from Mexico.

In directing my remarks to the subject matter, it is not my intention to disregard the economic and administrative practicality of the bracero program to small farms in the Far West. Neither is it my intention to disregard the effective role of braceros in gathering the crops at peak harvest when they are vitally needed for the effective harvesting and distribution of certain farm products.

This program under the joint supervision and control of two friendly governments and with firm controls called for in the law, has more advantages than disadvantages and deserves congressional approval.

Mr. Speaker, since this issue has been debated for some years, and this year we have a repeat performance, I do not feel it is necessary to go into the details of the pros and cons of this bracero program. I believe the gentleman from California [Mr. SISK] pointed out quite fairly that, to use his words, "this program is not lily white nor is it as black as it has been painted by its opponents."

Mr. Speaker, I find in looking at it very carefully that there are certain immediate charges that people can make against the program. They are justifiable but I feel, however, there are very practical aspects to the program. In my opinion the practical, good aspects of the program outweigh the detrimental portions.

Mr. Speaker, my purpose this afternoon is to ask the Members of the House to support the rule and to ask the Members of the House to support a 1-year extension.

Mr. Speaker, speaking as a representative of an urban area, I would like to discuss one complication which could well arise if we have a sudden termination of this program. First of all, we realize that despite all statistics or claims that can be made to the contrary, there just is not enough American domestic labor ready and willing to do the job of harvesting at the time the need is really there. As a result, if we terminate this bracero program on the 31st of December, we will create a tremendously artificial demand for labor. It will be filled, in part, by wetbacks who will pour across the border just as they did years and years ago before the bracero program was developed and implemented. Therefore, if you have a choice between the evils of the bracero program and the various complications caused by wetbacks, I would suggest that for the next year at least we should continue this bracero program.

Mr. Speaker, in one of my communities in the district which I have the honor to represent we have a rather sizable Mexican-American population. When I took office succeeding my predecessor, I found that the present volume of files in his office dealt with matters of the illegal entrants from Mexico who had entered the United States. Some had married American citizens and started to raise families. Others participated in smuggling in their families and friends. All were oppressed by the grave complications of their illegal status.

Mr. Speaker, all of these complications cause social, personal, legal problems for people greater than the objections which Members have to the bracero program.

Mr. Speaker, since we do not have any immigration quota to apply to Mexico, or for that matter any other Latin American country, the moment we terminate this program we will have an influx of Mexican nationals who will enter this country as permanent residents. Unless they are gainfully employed throughout the entire year—assuming when they come in they will be unskilled and will be working in the farm areas—they will, as soon as the harvest season is over, face unemployment. Their families will become problems in social welfare cases and their families will become charity cases.

Mr. Speaker, all of these complications will immediately develop if we have a sudden cutoff of this bracero program. I might point out, in comparison, that as an opponent of the foreign aid program, I well recognize the fact that we cannot cut it off immediately.

Earlier this year, Mr. Speaker, when we had before us the foreign aid bill, and for a moment it looked as if the vote would move against the entire program, I shocked the gentleman from Iowa [Mr. GROSS] by pointing out to him if my vote meant the difference between termination of the foreign aid program this year and its extension for a year or two I would have to vote for the foreign aid bill. Obviously, in connection with any program, whether it be foreign aid or this bracero program, the intelligent way to terminate it is to phase it out, not abruptly cut it off. Actually, under this 1-year extension you are giving the people who use the braceros firm notice that this is the end of the program as it now exists. They know they cannot count on the program any further. You do give them a year to phase it out.

This is practical legislation, it is legislation that the House and the other body should follow. But I would like to reemphasize the point I made earlier. Immediate complications involved in the sudden termination of this program will in many areas exceed the abuses to which objection is taken. The Members from California, Arizona, New Mexico, Texas, and other States who are the bracero labor States should consider the social implications, the families that will be brought here as permanent citizens, the Mexicans who will come across as residents rather than as temporary farm laborers. An intelligent, 1-year termination of the program is the answer.

That is why I urge all of you, especially those who have philosophical and political objection to this program, to take into consideration the real issue before you; that is, whether you are going to cut off the program at the end of this year and create chaos, not only in the areas where the labor is used, but also in the resulting social problems I pointed out, or whether you are going to give the operators of this program 1 year to intelligently phase it out. In my opinion the defeat of the bill earlier this year is sufficient warning that the House in particular and the Congress as a whole will not extend this program again. I believe the 1-year extension now before us is logical, practical, and absolutely necessary.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I rise at this time in order to inform my colleagues I will offer an amendment to this bill which reads as follows:

SEC. 510. No worker will be made available under this title for employment after December 31, 1963, except that during the calendar year 1964, workers may be made available under this title for employment on farms where such workers were employed during the preceding year, but only if and to the extent that the Secretary determines that every reasonable effort has been made to obtain suitable domestic labor and that such labor is unavailable for such employment.

I will request 5 extra minutes to explain this more fully. I believe we need to end the bracero program but I think it is possible to do so without injuring the people who might be injured unless you leave in some kind of a reasonable escape hatch. But I will go into that more in detail at the proper time.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HANNA].

Mr. HANNA. Mr. Speaker, I think that what we want to distinguish here is the difference between a decision to terminate the program under Public Law 78 and the way in which we are going to accomplish it. I would remind the gentleman from California [Mr. COHELAN] that this is the first time in the House when we have had the decision of terminating the program before us, so we are not revisiting the bracero program in the sense in which he referred to it.

It is said that the farmers have been warned all these many years that one day this program was going to come to an end. Where did they get that warning? From the representatives who have been in favor of this program? The people who have been planting, cultivating, and harvesting the strawberries and other produce in my district, are farmers such as Bill Asawa and Henry Kenagae, not the representative from the Farm Bureau. The first time they knew the program was in trouble was when the House voted to terminated it. Now they have asked me what we are going to do to phase out our operations. I think this is the sense in which we are going to make this decision on this bill.

It may further be argued by some that the CONGRESSIONAL RECORD contained sufficient warning. However, how realistic a warning is the RECORD? How many of you gentlemen read the CONGRESSIONAL RECORD before you came to Congress? The farmers in my district do not read the CONGRESSIONAL RECORD as a regular habit.

Gentlemen, what we here ask is for graciousness from the victors. To those who have prevailed in the argument to terminate Public Law 78 we give all honor and glory. We sue only for reasonable treatment for the vanquished. Understanding that this is in full accord with the tradition of America. After all, even after World War II we gave the Germans the benefits of the Marshall plan.

Mr. Speaker, I therefore ask support for the rule and support for the bill.

Mr. SISK. Mr. Speaker, I yield 6 minutes to the gentleman from California [Mr. LEGGETT].

Mr. LEGGETT. Mr. Speaker, I support the rule. I think it reasonable and fair that the House work its will on a 1-year extension of the Mexican national labor program.

This House has been variously referred to as a fairly conservative body, many times I believe a little too conservative. What is there conservative about cutting off a 70,000-man labor supply to the largest State in the Union on 60 days' notice? Those working hard for the defeat of this law are the best internationalists of the Congress. The Mexican Ambassador by a formal letter sent to the Senate and to the Department of Labor has asked that he have some time to readjust the 150,000 braceros that are taking part in the international work program this year.

I think you gentlemen who purport to be concerned with the Alliance for Progress in connection with our Latin neighbors should scrutinize your own consciences to see whether or not you are providing adequate notice not only to the people in California, Texas, and Arkansas, but also to our neighbors to the south.

I favor a reasonable termination of this program, but before you shut off a man's labor supply it seems to me you have to give him some reasonable assurance as to where he is going to get an alternative source.

Maybe in my home State of California we have kind of painted ourselves into a corner. We now have the most liberal unemployment insurance program in the Nation. There is no waiting period for the average industrially unemployed in qualifying for $55 a week unemployment insurance benefits. In addition, you can make $12 a week outside earnings. In addition, these benefits are tax free, so you have to add 17 percent. Then multiply the weekly wage by 4⅓ to get the monthly wage. In California this brings in $330 a month, for 26 to 39 weeks. Husbands and wives can jointly qualify for these benefits.

I have separated these programs, and I have separated them because I believe job insurance is job insurance. If you are an unemployed bricklayer you do not have to go out and pick tomatoes prior to the time you qualify for unemployment benefits. I support this principle, but also this is the reason why the industrially unemployed in California are not available to get out and pick this fruit.

Measures have received extremely serious support this year to extend benefits to $70 a week, which we have extended in the disability insurance program in the State of California, which program we have extended to the agriculturally disabled, which carries a hospital benefit of from $12 to $20 a day. The provision to extend unemployment insurance in my State would also provide, in addition to the $70 a week, for $5 for each dependent of the unemployed up to four and would extend outside earnings to $20 per week. Under

this provision it is readily calculable that a husband and wife can make substantial wages on unemployment insurance in the State of California. Within the next few years they may qualify for these kinds of benefits. Many of us on the Democratic and on the Republican side in California support these liberal unemployment insurance programs.

The liberals are in the position now where they cannot have their cake and eat it too. If we have a concept of job insurance, you cannot get agricultural workers from the industrially unemployed.

At the present time, once a man is substantially industrially unemployed or employed, he never again returns to the farm. I talked to the organized labor in my home in north central valley district all this week and consistently I get the same answer, they have unemployed, "but, Bob, you cannot expect us to send our unemployed out to the farms right in our county where they can commute and where they can live at home to perform this kind of labor prior to the time that they qualify for these kinds of benefits."

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

Mr. LEGGETT. I yield for a question.

Mr. COHELAN. I have listened to the gentleman with great interest. It seems to me, the gentleman is making a good argument to raise wages in the agricultural sector, and I heartily endorse that. I just want to know this—I know in the committee which the distinguished gentleman from California is a member, there were amendments introduced to provide transportation and workmen's compensation and some of these benefits that we are now providing in California.

I ask the gentleman—did he vote for this amendment—incidentally, which amendments were recommended by the administration—and maybe we can get together on it and I could support the bill.

Mr. LEGGETT. Now your question is somewhat compounded, but I would like to try to give the gentleman an answer. I did not vote for these amendments but not for the reason you think. I want to give agricultural workers in my State the highest and best wages in the country, and if they can equal industrial wages, we certainly want that. Now I am sure my colleague from urban Alameda County is cognizant of the fact that we do have regulations which are existing law in the United States which have been promulgated pursuant to the Federal Register. These regulations provide with respect to housing——

The SPEAKER. The time of the gentleman has expired.

Mr. SMITH of California. May I inquire of the gentleman whether he needs additional time?

Mr. LEGGETT. Could I have 2 additional minutes?

Mr. SMITH of California. I yield 2 additional minutes to the gentleman.

Mr. LEGGETT. It reads:

It is the policy of the Department of Labor to require that new housing built by users of foreign workers provide facilities for domestic family groups, or be capable of conversion to such use.

There is a long paragraph there that I do not have the time to read, but it is cited in the RECORD at page 15198 of this year's journal.

If you read the next page, you will read the elaborate provision respecting transportation. We have an elaborate administrative regulation describing exactly the thing that the department is asking for a legislative confirmance. They do not need legislative confirmance.

I would like to call to the attention of the body, if there is anybody left in this House who is uncommitted on this issue. I ask him to refer to the RECORD of the day before yesterday at page 20434 where I included there an analysis of wages which the Department of Labor reported, that they are paying braceros this year and last year under the bracero program.

In California the average wage is $1.26. Forty percent of the wages in my State are paid to tomato pickers at an average wage of $1.35. We are paying for picking watermelons $1.70 an hour on an average to braceros.

For loading tomatoes, it is $2.35.

In other States which have been alluded to on page 20435 we have statistics by commodity and by State and by groupings for every State in the country indicating that in Arkansas where there has been some talk of 40- or 50-cent wages and a 70-cent adverse effect rate, the average wage paid by that fine State of Arkansas is 82 cents an hour during the first half of this year in the bracero program.

The SPEAKER pro tempore. The time of the gentleman has expired.

CIVIL RIGHTS

Mr. SMITH of California. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I ask unanimous consent to speak out of the regular order and to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, the basic objective of civil rights legislation should be to exercise all legitimate Federal power to carry out our constitutionally established national policy of nondiscrimination, which Congress has failed to effectuate. It should be enacted in the 88th Congress.

The bill should include voting, interstate travel, Federal assistance programs, Federal employment and contracts and, for enforcement of public policy in these fields, should employ tried and established sanctions.

The bill should not initiate the dissolution of our federal system nor, in proceedings against citizens by the Federal Government, strip them of protections against tyrannical behavior guaranteed them by the Bill of Rights.

These objectives can be attained.

Mr. Speaker, after the House Judiciary Committee had taken final action on civil rights legislation I was interviewed by Mr. Paul A. Miltich, the Washington reporter for the Booth newspapers, as to my position on civil rights legislation. As a result of that interview Mr. Miltich wrote a story which spells out in somewhat greater detail the position I have just announced. I include the text of that article as it appeared in the October 29, 1963, issue of the Ann Arbor (Mich.) News at this point in my remarks:

MEADER UNVEILS OWN CIVIL RIGHTS PACKAGE

(By Paul A. Miltich)

WASHINGTON.—Representative GEORGE MEADER, Republican, of Ann Arbor, who finds it impossible to support either the administration civil rights bill or a tough subcommittee bill going far beyond it, today unveiled his own civil rights package.

MEADER said he has kept himself flexible to date in the hope the House Judiciary Committee could agree on what he regards as a sensible, meaningful bill, but now feels compelled to draft his own measure.

The Meader bill will contain a limited public accommodations section and a voting rights provision aimed at prompting action at the State level to eliminate loss of the vote through racial discrimination.

It will be minus any section conferring authority on the Attorney General to start suits on behalf of citizens complaining of school segregation or any other form of racial discrimination.

It would write the President's Committee on Equal Employment Opportunity into law instead of having its existence depend on an Executive order by the President. This Committee seeks to eliminate racial discrimination in employment among Government contractors.

The Meader bill would not include a Fair Employment Practices Commission (FEPC), extending the equal employment opportunity idea to business and industry generally.

MEADER's public accommodations proposal would ban racial discrimination by operators of certain establishments who are located on or near interstate or primary highways and who cater to interstate travelers.

Punishment for violations would be a $1,000 fine, or 1 year in jail, or both.

The proposal would specifically include hotels, motels, inns, restaurants, eating establishments, and gasoline stations falling into the interstate category.

MEADER's voting rights provision would establish a bipartisan commission (four Members each from the House and Senate) which would make recommendations to Congress to reduce the congressional representation of those States depriving citizens of the right to vote for racial reasons.

MEADER said he has made his public accommodations section strictly interstate because "in my judgment, that's as far as the Federal Government's authority extends in this area."

"If you go as far as the Kennedy administration and the liberals want to go, it's tantamount to a constitutional amendment vesting all State powers in the Federal Government and would destroy the Federal-State system," MEADER declared.

Of his voting rights proposal, MEADER noted that action to reduce representation in Congress of States practicing discrimination is called for in the 14th amendment to the Constitution but has never been used.

His plan would provide for "implementation" and would be "an incentive to certain States to get busy and wipe out discrimination in voting," MEADER said.

Rejecting the administration's plan to appoint temporary voting referees to go into the States and handle voter registration, MEADER said "this bristles with all kinds of problems and uncertainties."

MEADER voted against the 1960 civil rights bill because of his objections to the voting referees proposal.

MEADER's opposition to conferring special civil rights powers on the Attorney General should surprise no one.

He has consistently fought what he calls government by injunction.

"You can't give power to anyone, like the Attorney General, without taking it away from somebody else. I'm not willing to take power away from the people and give it to an all-powerful centralized government. It strips the citizen of the protection against his Government which is guaranteed him by the Bill of Rights."

MEADER's bill would make the Civil Rights Commission permanent.

He is debating whether to include a community relations service, set up to try to negotiate solutions to community race problems.

Mr. SMITH of California. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LATTA. Mr. Speaker, when the President announced to the Nation and to the Congress that he was abandoning the declared policy of Congress opposing the sale of subsidized agricultural products to Communist nations—other than Poland and Yugoslavia—we were led to believe that these sales would be made for cash, with payment in gold or dollars, thereby aiding our balance-of-payments problem. Let me read what the President told the Congress in a letter to the Speaker dated October 10, 1963, and I quote:

The sale of 4 million metric tons of wheat for an estimated $250 million and additional sums from the use of American shipping will benefit our balance of payments and gold reserves by that amount. Assuming they do not pay in gold directly, the Soviets are expected to sell gold for dollars in the London market, thus increasing support of the dollar and decreasing the pressure on our gold supply.

I have in my hand UPI release 73 of this date which reads as follows:

The U.S. Export-Import Bank will move soon to crack a credit roadblock holding up sales of $6.4 million worth of surplus corn to Communist Hungary, informed sources said today.

The sources predicted that the Bank, a Government agency, would announce its willingness to guarantee commercial banks against loss on all credit to Hungary in the corn deals. An Export-Import Bank spokesman said official comment on the subject might be made soon.

Similar guarantees were expected to be available to smooth financing of other potential sales of farm surpluses to the Soviet Union and other Communist bloc countries.

I think it is well for the Congress and for the Nation to know that we are not going to be selling subsidized agricultural commodities for gold and dollars on the barrelhead as indicated by the President, but we are going to be selling for credit and that the taxpayers of the Nation, through the Export-Import Bank, will be guaranteeing the loans to be made by banks financing the deals for the Communist countries.

Mr. SISK. Mr. Speaker, I yield 7 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I am pleased to note that apparently there will be no serious difficulty in adopting the rule on this bill. I sincerely hope that the 1-year extension which is provided for in this bill will be approved by the House of Representatives.

Mr. Speaker, it has been pointed out by the gentleman from California [Mr. COHELAN] and others that the annual wage of farmworkers is not very high, and this is true. The annual wage of farmworkers is not very high. If the Congress wished to consider legislation on the subject of fixing wages and hours and living conditions for farmworkers, that could be done. Such action would not be in the public interest and I would oppose it. However, this is not the subject before us in the pending bill.

The only issue before us today is whether or not we will continue to permit the Department of Labor to admit into this country a number of Mexican workers from the Republic of Mexico. They come alone to do seasonal work. They do not bring their families with them. They then return home after this seasonal work has been done. That should be the only question which is before us today.

It is rather remarkable to recount that during the last 10 years there has been a dramatic improvement in living standards of farmworkers, especially migrant farmworkers. And, in my opinion, much of the credit for the dramatic improvement in living standards has been brought about as a result of the bracero legislation.

Braceros are used in the State of Michigan. Compare the farm labor wage in Michigan and in Ohio. The farm labor wage in Michigan, where braceros are used, is higher than it is in Ohio where they are not used. Why has the living standard of workers and the wages of workers been increased as the result of the bracero program? Here is the reason why. Under the regulations, the farmer has had to provide better housing conditions, much better than he had theretofore provided for anybody; but he has been required to do this. He has been required to provide the average wage which is often the maximum wage in the area. So wages have gone up. Living standards and housing conditions have improved. And the farmer has therefore made a big step toward providing better living conditions for the worker. The bracero program is in part responsible for this.

The farmer would not care for this bracero program if he could avoid it, if he could get the labor otherwise. He has to provide better housing than he would have to provide for domestic workers. He has to go through a lot of red tape, and the farmer despises red tape. The farmer is not subsidized by the bracero program. He is penalized because of all of these rules with which he must comply. In order to get one bracero to work for 6 weeks he has to pay a total of about $50. This is in addition to the wages he pays the worker. This would include transportation and other items. The $50 applies in the area I represent. The fee varies in other areas. And if the farmer uses the bracero beyond 6 weeks he has to pay an additional amount.

The bracero program has helped Mexico, and has improved international relations, of course. It has raised the standards of domestic labor. It has raised the wages of labor and has not adversely affected people who work on farms. The program could have brought havoc to domestic workers. It could possibly have meant ruination to domestic workers. But the reason it has not and could not under the circumstances is that the farmer prefers the domestic worker, in the first place, and in the second place this program is being monitored and administered by the Department of Labor.

The program has not gotten out of hand because no bracero can come into any State of the Union and take any job unless the Department of Labor certifies that domestic labor is not available and that imported labor is required in order to meet the emergency.

So, Mr. Speaker, the Department of Labor, being friendly to labor, has monitored this program in such a way that it has been helpful to the domestic laborers of the country. In fact the regulations have been too restrictive on users, and there has been undue hardship on some users in certain instances.

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

Mr. MAHON. I yield to my friend, the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Does the distinguished gentleman from Texas and my good friend, the gentleman from Texas [Mr. MAHON] feel if we were to provide the same provisions which are required for the bracero worker under Public Law 78; that is to say, transportation, housing and all of the other guarantees as well as workmen's compensation and so forth, that we might very well be able to get—and with the money and effort expended by the growers in this area—if we did that very same thing for domestic workers, does not the gentleman feel we might be able to recruit domestic farm labor?

Mr. MAHON. The domestic farmworker is given the preference, if he is available, because the farmer, among other reasons, in my district, has to pay about a $50 fee to get the bracero.

The issue of Federal control of domestic workers is not the issue in this bill.

This program which has contributed to the welfare of the domestic worker is being phased downward, and it should be phased downward wherever reasonably possible because we are all for the domestic worker. We believe in preference for him.

Mr. Speaker, in my State in 1961 we used 117,000 braceros. Last year we had 30,000. This year, up to October 20, we have used 4,900. So, we are doing our best. The Department of Labor is policing this program in such a way that

it is helping the consumer because he gets more and a better-assured supply, and it is helping labor.

Mr. Speaker, the passage of this measure is in the best interest of the country and I earnestly hope that we will provide for this 1-year extension.

Mr. SISK. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8195) to amend section 510 of title V of the Agricultural Act of 1949, as amended.

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

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8195, with Mr. NATCHER in the chair.

IN THE COMMITTEE OF THE WHOLE

The Clerk read the title of the bill.

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

Mr. COOLEY. Mr. Chairman, the bill which we are about to consider was referred by me, as chairman of the House Committee on Agriculture, to our Equipment, Supplies, and Manpower Subcommittee, headed by the gentleman from Arkansas, Congressman E. C. GATHINGS. The author of the bill is our distinguished colleague, the gentleman from Texas, Judge GRAHAM PURCELL. All persons desiring to be heard were given an opportunity to be heard and the bill was favorably reported by our committee. Certainly all of you know that our colleague, the gentleman from Arkansas, Congressman GATHINGS, has been intensely interested for many years in the program authorized by the pending bill. This bill provides for an extension of the program for only 1 year. While we have no braceros in the congressional district which I have the honor to represent, and have never had braceros in our district, I have supported legislation authorizing and providing for the program because I believe that it is in the interest and welfare of the people of our Nation.

I congratulate and commend the gentleman from Arkansas, Congressman GATHINGS, upon his efforts and upon the splendid manner in which he has handled the pending bill. I also congratulate and commend the gentleman from Texas, Judge GRAHAM PURCELL, for his interest and for the very fair and forthright manner in which he presented all the pertinent facts and circumstances involved in the problems confronting farmers in many of the States of the Nation. I agree with the author of the bill and with the chairman of the subcommittee that the bill before us is important and vital and must be approved and enacted. During the debate I am certain that proponents and opponents will discuss the programs of the past which have been, from time to time, authorized, and I am certain that you will understand the need for the legislation which I now urge you to approve.

Mr. Chairman, I now yield 5 minutes to the author of the bill, the gentleman from Texas, Judge PURCELL.

Mr. PURCELL. Mr. Chairman, references have been made today to the fact that discussions of this bill in past sessions have played more on the emotions than on the good judgment of the Members of this body. This is a bill in which emotions can be brought into play. I believe this is the time that we should accept the responsibility of being businesslike in the approach to the problems that face us, and this provides us an opportunity to be businesslike. I do not imply by that statement that those who oppose the bill are not also businesslike.

Mr. Chairman, as has been stated, the farmers in our country who use Mexican nationals as laborers on their farms have many responsibilities and several penalties that they pay. One of these penalties is a $15 deposit that is required of each farmer for each worker that he is requesting before that worker is recruited to come into the working force on that farm. This $15 provides for the cost of a great part of this program. After the total number of workers has been agreed upon by the American Government and the Government of Mexico, then Mexico recruits these workers from all over that country. An allocation is given to each of the States according to the workers available who are experienced in agriculture and according to the employment level of that particular State. They then are allowed to come to certain centers.

There are three centers in Mexico, as I understand it. The Mexican citizen is on his own to get to these particular centers. These centers are located in the northern part of Mexico. They are at Guaymas on the western side of Mexico, at Chihuahua, more or less in the center, and at Monterrey toward the eastern side of Mexico.

When the workers come to one of these three centers they are then provided certain facilities, and the $15 I referred to earlier goes to pay for them. He is given a physical examination, he is oriented on the work he is going to do. Transportation then is provided for him from the center up to a corresponding center on the southern edge of our country. From that place the farmer in our country who has agreed to take these workers has a further obligation of providing transportation from that point in the United States to his own farm. All of this is policed, as referred to by the gentleman from Texas [Mr. MAHON], by our Labor Department.

These provisions have properly been placed in this law. This provides, in my judgment, a method whereby we can be further assured that not one domestic worker, not one American citizen, is going to be deprived of work because of this labor program. Each area, each individual, must have certified that there is not a domestic worker to do this particular kind of labor and to take the particular job in question before he is allowed to get these workers.

The $15 provides for not only the expense of transporting the Mexicans from down in Mexico up into the southern edge of our country, it provides for the salary of the people whom we have hired to help run this program.

Mr. Chairman, very briefly, I hope I have thrown some light on the expense and the method that is used by our people.

Let us look at this proposal from the American consumer's point of view. What will be the result if the bracero program is now terminated? I am convinced that the result will be higher prices for the consumer for the principal crops in which braceros are involved; namely, fruits and vegetables. Why is this? It is partly because the harvest will, in my opinion, be well below this year's average if this law is not allowed to extend into next year. We have adequate evidence before us of the lack of adequate available domestic labor. If there was plenty of labor, the farmers could not under the law be certified to use bracero labor. To refuse these farmers the right to supplement their labor force would cause many of them to plant less than the normal crop. I am sure some of the smaller fruit and vegetable growers will not plant these crops at all. They would feel that it would be better not to plant a crop than to spend all the money necessary to raise their crop and then let it ruin in the field because there was not sufficient labor to harvest it. I think there is no doubt that this would raise the price substantially and the consumer would be the one to suffer from these price increases, not in one State but all across our country.

I sincerely hope that my colleagues will look at this matter objectively and view the proposal as a business arrangement between two governments and between people of at least one of those governments, because of all those who benefit the consumer is the greatest benefactor. That and that alone is exactly what is before us today. I hope that my colleagues will vote in favor of this bill.

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

Mr. PURCELL. I yield to the gentleman from Iowa.

Mr. KYL. May I ask the gentleman from Texas if he is in favor of a 1-year extension of this program or the further extension of the program beyond that 1 year?

Mr. PURCELL. I am speaking for this bill, which provides for a 1-year extension. I certainly want to be businesslike and flexible in my thinking. I know we need a 1-year extension. As far as I am concerned, we will look at the matter a year from now. If a determination should be made on the extension of it at that time, I would certainly want to listen to the arguments they make.

Mr. KYL. I thank the gentleman.

Mr. HOEVEN. Mr. Chairman, the bill before the House today came from the Committee on Agriculture with strong bipartisan support. It was reported out of committee by a vote of 28

to 5. It has been very thoroughly and exhaustively considered, and in the opinion of the overwhelming majority of the Committee on Agriculture, it represents the best possible legislation at this time.

I consider this to be a phasing-out piece of legislation. It is a controversial proposal, of course, but the extension is only for 1 year which seems to me to be eminently fair. It would be absolutely unfair to terminate this program within the next 60 days whereas we can reconsider this legislation a year hence and do then what is best under the circumstances. I hope the program can be terminated at that time.

I think I can speak objectively on this legislation because last year, in the year 1962, my State of Iowa used only 174 Mexican farmworkers. I, therefore, am speaking to you today as a representative of a State which, for all practical purposes, has very little need for these seasonal and temporary workers.

So I just view this from the standpoint of the Nation's welfare in being fair to those farmers who have to harvest their crops when they mature and find that they simply cannot get domestic labor to get the job done.

I have been out in California where a lot of this stoop labor is needed. I have seen the braceros pull carrots down on their hands and knees, and I am not as yet convinced that you can get the American laboring men to do this type of work. If I was convinced that domestic labor was available I would not be supporting this bill. I think it is highly important that we view this entire situation in a realistic way.

There are many farmers in a number of States who are absolutely dependent on this seasonal labor to harvest their fruit, vegetables, and other crops.

I, for one, do not want to be held responsible when a crop of vegetables or fruit have reached maturity and must be picked within a limit of only a few days. It is most unfair to have producers suffer a complete loss, which has happened on several occasions.

The abrupt termination of this program 60 days from now would work a very severe hardship on the enterprises of many thousands of families, and would be detrimental to our agricultural economy.

In addition, farmers throughout the entire Nation would undoubtedly face a very serious shortage of domestic labor if the bracero program were to end so abruptly.

The higher wage rates and more favorable climatic conditions of the Far West would undoubtedly attract large numbers of domestic workers from the Midwest and South, thus leaving these areas with a real shortage of labor willing and able to work at difficult and tedious farm chores.

No one that I know who is supporting this legislation wants to harm U.S. farmworkers whatsoever.

The Secretary of Labor is charged with the responsibility under the present statute to take administrative action for the protection of all American citizens who compete with braceros in the labor market.

Please remember that there is not a single bracero who can be brought into this country unless the Secretary of Labor certifies that there is a need to do so. So the American laboring man is amply protected and the responsibility is on the Secretary of Labor.

Under the law, Mexican nationals cannot be employed unless the Secretary of Labor finds that U.S. farmworkers are not available.

The bracero program has since its inception in 1951 been a very real solution to the so-called wetback problem which our Nation previously faced for many years.

When Mexican citizens come into our country illegally everyone suffers. The workers are not protected by law and are often exploited. U.S. employers become involved in illegal activities. Mexicans resent their treatment and carry that ill will back across the border to Mexico.

That, Mr. Chairman, is why the Ambassador of the Republic of Mexico on June 21, 1963, wrote to the State Department expressing concern over the possible termination of the bracero program.

The Mexican Ambassador's letter is reprinted at page 6 of House Report No. 722 and I would draw to your attention the following statement in the letter:

> The absence of an agreement would not end the problem, but would rather give rise to a de facto situation: the illegal introduction of Mexican workers into the United States.

In other words, wetbacks.

If I am not mistaken, the number of wetbacks coming into this country has decreased each year since this program has been in effect.

In summary, Mr. Chairman, this bill which has the overwhelming support of the Committee on Agriculture will prevent a great deal of hardship to many people both in our country and in Mexico. It is very badly needed in many parts of our Nation. The Secretary of Labor has the legal authority and the responsibility under the present law to protect U.S. farmworkers. The bill is limited in that the law is only being extended for 1 year. The entire matter can again be reviewed next year. The benefits derived from the passage of the bill outweigh the objections, and hence I recommend that the bill be passed.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I had not anticipated necessarily speaking at this time, but maybe it is just as well, because what should be said can be said in 2 minutes or less. There are some of us who have spoken here repeatedly on this floor pointing out time after time on a factual and statistical basis a complete rebuttal and refutation of every single bugaboo scare argument that has been heard this afternoon. Whether this is a 1-year extension, a 2-year extension, a 3-year extension, is wholly and totally immaterial. The fact that in my State alone there are no standards whatsoever; the fact that we have native-born American Texans, white Caucasians, if you please, according to legal definitions, sir, who work shoulder to shoulder with the foreign imported worker who is guaranteed by law a minimum is enough to shock us into the realization that we have abdicated our trust to our own native migratory worker.

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

Mr. GONZALEZ. I will not yield now. I have just 2 minutes. If I am given additional time later, I will be glad to yield to you.

I would like to say there has been no increase in consumer prices since a year ago or better when the Department announced that the minimum according to international agreement would be raised from 50 cents to 70 cents and the use of the bracero in Texas dropped 70 percent.

Let us look at this. This is the argument we have heard in Texas for 10 years, that if you did not get this labor, consumer prices would rise and crops would perish and rot in the fields. There has been a drop of 76 percent in the use of braceros in Texas alone in less than a year's time, when the minimum was increased from 50 to 70 cents.

The CHAIRMAN. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. GONZALEZ. I yield to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, I would like to raise two points which were suggested by the gentleman's statement. I am sure he will agree that the American or the Caucasian, as the gentleman referred to him, working side by side with the imported laborer, did receive exactly the same wage, and there is no discrimination as between the two.

I think he will also agree with reference to a further point which he raised, that perhaps this 76-percent decline in the use of braceros is largely due to the introduction of the cotton harvesting machine and the consequent drop in the use of hand labor in the harvesting of cotton and also the recent heavy freeze in the State of Texas.

Mr. GONZALEZ. The gentleman from California is in complete and total error. I do not agree with him. I wholly and categorically and pointedly disagree. The use of mechanization is not the real reason for the dramatic drop of 76 percent in the use of the bracero. If you will look you will see that there are in the cotton fields where mechanization has been used extensively a lowering of this labor; but I am saying where you had a 13-percent unemployment rate in the domestic migratory section of Texas it is not wise to extend this law. It will be sinful to pass this bill.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of this bill, H.R. 8195. In recent years about 1,300 Mexican braceros have been used during harvest season in a portion of my congressional district in California. The major crops involved are lettuce, which is the No. 1 crop in my district from the standpoint of value, asparagus, and tomatoes. Asparagus is

a type of crop that is planted and then is harvested for several years in a row before it is replanted. So the farmer who plants this kind of crop, as well as strawberries that are abundant in certain other districts in our State, a crop that has a several-year cycle, plants the crop on the basis of his estimate of the availability of labor at the time that he plants it. And therefore if he is not able to harvest a second-year or a third-year crop from these plantings, after he has made the huge initial investment that is required to plant asparagus or strawberries, any chance of coming out even is completely impossible for him. That is why it seems to me it is important to extend this program for an additional year.

Most of the major arguments made against this bill actually are factually inaccurate. There have been arguments made that this program takes jobs away from American citizens. But actually Congress wrote into the law years back that if any American citizen desires to make application to do the type of work involved, he must be given priority and the Secretary of Labor cannot even give a certificate to allow a Mexican bracero to come in under those circumstances. The argument that has been made that this program depresses wage rates is also not valid. Congress took this into consideration years ago and wrote into the law that before any bracero can be hired a certificate must be given by the Secretary of Labor that the bracero must be paid at least the prevailing wage in that area for the type of farmwork involved.

The argument has also been made that this program exploits the Mexican bracero, but this is not the case. On the contrary, this is a completely voluntary program on his part. He does not have to come. He has to volunteer for it. And they are so anxious to come that in some cases there have been braceros who have come to the recruiting stations and waited for as much as 2 months in the hope that they may be called, because if they are called, they are going to earn, per day, five times or more the earnings that they would find it possible to make in their particular areas of Mexico.

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

Mr. BALDWIN. I yield to the gentleman from Arkansas.

Mr. GATHINGS. The gentleman mentioned that these Mexicans are not exploited. Now, what would be the effect if there is no extension of Public Law 78? Would they not flock across the border in large numbers and, in that event, not only would they be exploited but our own domestic labor would be exploited as well?

Mr. BALDWIN. I think that is true. That was the situation that existed prior to the passage of the law that put this program into effect.

Mr. Chairman, one of the aspects of this program that I think should be given consideration is the fact that the type of farming involved here, which is primarily row crop vegetables and fruits, the basic crops involved are primarily nonsubsidized crops. These farmers are still willing to bear the entire risk.

Mr. Chairman, when they send their lettuce to market, if they miss the right day on that market, the price can drop by as much as 50 percent and their whole investment can be wiped out. However, they are willing to take that risk. There are still farmers in this country who are willing to ship their product into a market where they do not have any subsidized price in that market. Besides that, they pay for the labor which they hire.

Mr. Chairman, we have other types of crops in this country today that are subsidized extensively. Our taxpayers are paying over $1 billion a year in farm subsidies. Is it not better to give the farmer who is willing to risk the law of supply and demand in the marketplace, is it not better to give him an opportunity to harvest his crops so he can still function in the marketplace?

If this program is terminated suddenly, the California Farmer, which is the largest agricultural magazine published in that State, has estimated that the number of acres planted to tomatoes in our State would probably be cut by two-thirds next year.

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

The CHAIRMAN. The Chair will count. One hundred and seven Members are present, a quorum.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Hawaii [Mr. MATSUNAGA].

Mr. MATSUNAGA. Mr. Chairman, what we are doing here today is what convinces many a Member of Congress that we have been in session much too long. What are we doing here today? We are debating over the same bill that we debated at length and defeated only 5 months ago in this very same session. The only difference is that while the earlier bill, H.R. 5497, provided for a 2-year extension of Public Law 78, the bill now before us, H.R. 8195, calls for a 1-year extension. Let us hope that after the bill is defeated today, its proponents will not come up with a new bill calling for a 6-month extension.

If we approve this bill today, we may be setting a precedent by which the task of this body will be made increasingly onerous. Proponents of measures defeated early in this session and future sessions will be encouraged to reintroduce the same measures in the same session and manage somehow to win favorable committee action to bring those bills back on the floor of the House. Then, where would we be? We would be debating and voting over the same issues over and over and getting nowhere. The people whom we serve would then have real cause to think lowly of the Members of Congress. For this reason, if not for any other, H.R. 8195 should be voted down.

But there is a bigger reason why the measure now under consideration ought to be defeated. It is the same reason that led many of us to vote against the same measure only 5 months ago. It was a sound reason then; it is a sound reason today. It is bigger than the question of economics, of keeping the price of fruits and vegetables down. It is the question of morals. And I ask you now as I asked you 5 months ago: Is it morally right for us as the greatest nation on earth, enjoying the highest standard of living in modern civilization, to perpetuate a Federal law which not only permits but also assists the hiring of Mexican nationals at substandard wages by American citizen-employers?

Certainly, we do not expect any of our own citizens to work for less than a living wage. Yet we are being asked today to approve a bill which would continue in effect for another year a law which permits the hiring of Mexican workers for jobs in the United States for as little as 60 cents an hour, which is less than one-half the minimum wage determined by Congress.

Is it not significant that representatives of all three major religious faiths have testified against the continuation of Public Law 78? Clergymen of the Protestant, Catholic, and Jewish religions have joined in complaining vigorously about the Mexican farm labor importation program. Is it not noteworthy too that our churches have been the strongest critics of Public Law 78? In resolutions, in public statements, and in testimonies, they have gone to the extent of calling Public Law 78 immoral.

Labor unions, civic organizations, family farmer groups, consumer organizations, veterans organizations and others have opposed the extension of Public Law 78 because of the harm that it continues to inflict upon our own domestic farmworkers and family farmers. It appears that the only ones in favor of the continued importation of braceros are those who constitute the small percentage, less than 1 percent, of all farmer-employers who use them to their own economic advantage.

Lest I be misunderstood, let me say here quickly that I am not an advocate of putting these few growers out of business. I do believe that we ought not to assist them in perpetuating an immoral situation.

Let us once again prove that ours is a nation guided by morals. Let us defeat H.R. 8195.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I rise in support of H.R. 8195, a bill extending the Mexican National Labor Act for 1 year.

Comment has been made as to why we are again considering this legislation. In May this House by a small margin defeated a bill extending this act for 2 years.

We now have this bill before us extending the act for 1 year. This bill is being considered today because the extension of this act is absolutely essential to the agricultural economy of certain States and areas, including the district which I represent in Colorado.

I have no quarrel with those who are against this legislation and who oppose this extension for different reasons. I have received letters and wires from citizens of my district who are opposed

to this legislation, largely because they do not understand this program. I have tried as best I could to explain the necessity for continuing this program, and what it means to the farmers and processors of southern Colorado.

I would not be here today, Mr. Chairman, urging the extension of this law for 1 year unless I was convinced that this program is absolutely essential to the agricultural economy of my district, as I will confirm by reading certain wires I have received from farmers and canners in my district.

In the hearings held by the House Committee on Agriculture earlier this year Mr. Bernard Teets, executive director of the Colorado State Employment Service, appeared as a witness before the committee and stated without equivocation that Mexican nationals were necessary in Colorado to harvest our crops. Mr. Teets has held his position for 25 years. I know of no one better qualified to speak for the State of Colorado than Mr. Teets. I challenge those who come to the floor today and endeavor to speak with authority on a situation about which they have no personal knowledge.

I hold in my hand a number of wires which I have received from farmers, canners, processors, and beet growers in my district in Colorado. I have the responsibility and the obligation to represent this group here today. I will not take the time to read all of them but I will read one or two, and place the others in the RECORD.

Here is a wire from Mr. Cover Mendenhall, of Rocky Ford, who is secretary of the Southern Colorado Beet Growers Association. He says:

Urgently request passage of H.R. 8195. Passage essential to entire agricultural economy of Arkansas Valley of Colorado. Production of vegetable crops and sugarbeets in this area cannot continue without adequate labor supply. Local labor and migratory labor totally inadequate to maintain present economy.

I submit that this wire should be conclusive as to why it is essential to extend this law.

I have two sugarbeet factories in my district. The production of sugarbeets is most important to the economy of our area.

Here is a wire from George Benscheidt, of the Western Canning Co., of La Junta, Colo. This company is engaged in canning tomatoes. The wire reads as follows:

Imperative that extension of Public Law 78 be passed. The predominate crops that we process are pickles and tomatoes which require hand labor to harvest. We employ over 400 in plant operation during the season and this would be drastically cut if insufficient number of fieldworkers are available. It would mean less cans, glass, cartons, sugar, spicing, etc., which would in turn cut down labor forces in these related industries. Letters in the past have explained our position on this in more detail so I will not reiterate. Please work for extension of Public Law 78 as I feel it is vital to the economy of southeastern Colorado.

Mr. Chairman, I will read one more wire which is from Mr. V. E. Hollar, Hollar & Co., Rocky Ford, which I think is of special significance. Mr. Hollar wires:

We are wholesale growers of melon seeds. We ship large quantities of seed to Mexico, Canada, Europe, and the Middle East. This has some value to the U.S. balance of trade. We grow 3,000 acres and require 100 braceros for stoop labor to harvest. We operate in Kansas, Colorado, and California. We have never been able to keep a crew of men other than braceros to do this work. We are rapidly expanding our export of seeds. We must have braceros to continue.

I am including the other wires in my remarks. All of them urge the extension of Public Law 78 as being essential to their operations. The wires follow:

LA JUNTA, COLO,
October 28, 1963.

Hon. J. EDGAR CHENOWETH,
Washington. D.C.:

Understand that Public Law 78 will be voted on in near future. The need for ample fieldworkers for future farming of vegetables crop is vitally necessary. Domestic workers in area have been used in past and are lacking in number. Necessitating braceros to work onions, tomatoes, cucumbers and beets.

JOE DUNN.

ROCKY FORD, COLO.

LA JUNTA, COLO.,
October 28, 1963.

Hon. J. EDGAR CHENOWETH,
Washington, D.C.:

Understand that Public Law 78 will be voted on in the near future. The appeal for ample fieldworkers for the future farming of vegetables crops is vitally necessary. Domestic workers in use in past are lacking in number. Necessitating braceros to work onions, beets and produce crops.

ROLAND LUSK.

LA JUNTA, COLO.,
October 29, 1963.

Hon. J. EDGAR CHENOWETH,
Washington, D.C.:

It is imperative that extension of Public Law 78 be passed for the future farming of this area. Domestic labor has been insufficient in number of past years necessitating bracero labor for harvesting produce crops.

VERN CAMPBELL.

NEWDALE, COLO.

LA JUNTA, COLO.,
October 29, 1963.

Hon. J. EDGAR CHENOWETH,
Washington, D.C.:

Have been informed that extension of Public Law 78 to be voted on in near future. The need for sufficient agricultural workers in this area is imperative for future farming of vegetable crops. All domestic workers used for several years and still insufficient in numbers and braceros brought in to work beets, tomatoes, cucumbers, and onions.

JAMES HANAGAN.

LAMAR, COLO.

LA JUNTA, COLO.,
October 29, 1963.

Hon. J. EDGAR CHENOWETH,
Washington, D.C.:

The passing of extension Public Law 78 is necessary for the future of farming in the Arkansas Valley. All domestic labor is used and insufficient in number. Need for bracero labor is essential for ample harvesting of crops.

BOB BIELER.

NEWDALE, COLO.

ROCKY FORD, COLO.,
October 29, 1963.

J. EDGAR CHENOWETH,
Washington, D.C.:

DEAR MR. CHENOWETH: The use of Mexican national labor is of extreme importance. The labor situation becomes acute about September 1. Without the help of Mexican nationals many crops would go unharvested.

BURRELL SEEDS, INC.,
W. E. BURRELL,
Secretary and Treasurer.

ROCKY FORD, COLO.,
October 29, 1963.

Hon. J. EDGAR CHENOWETH,
Washington, D.C.:

We are wholesale and retail vine seed producers and our growers employ approximately 400 braceros during their growing and harvest season. Without bracero laborers Colorado farmers would be unable to grow crops that require stoop labor as it has been tried and there is definitely not enough local help to even start fulfilling requirements.

WOODSIDE SEED GROWERS CO.,
W. F. WOODSIDE.

ROCKY FORD, COLO.,
October 29, 1963.

Hon. EDGAR CHENOWETH,
House of Representatives,
Washington, D.C.:

Extensions of the bracero program vitally necessary in the continued operation of our business we urge operation of a 1-year extension.

ARK VALLEY SEED,
BOB APPLEMAN.

LA JUNTA, COLO.,
October 29, 1963.

Hon. J. EDGAR CHENOWETH,
Washington, D.C.:

In reference to extension of Public Law 78 that will be voted on October 31, 1963, the necessity for bracero labor in this area is imperative. All domestic labor is used and has been insufficient in number past years.

BYRON HANAGAN.

SWINK, COLO.

ROCKY FORD, COLO.,
October 31, 1963.

J. EDGAR CHENOWETH,
Member of Congress,
Washington, D.C.:

Will be forced to discontinue all vegetable growing and convert to grain crops if Mexican nationals are disallowed.

HOLLAR & CO.,
RICHARD GRAY.

CROWLEY, COLO.

LAMAR, COLO.,
October 31, 1963.

Representative J. EDGAR CHENOWETH,
House of Representatives,
Washington, D.C.:

Recommend passage of bill H.R. 8195.

LAMAR CHAMBER OF COMMERCE,
Agricultural Committee.

Mr. Chairman, I urge the passage of this bill without amendment.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. LEGGETT].

Mr. LEGGETT. Mr. Chairman, my fine colleague from Hawaii has talked about this tremendous immoral imported labor program we have in California and some of the other States. I would like to ask him, without getting an answer, how many people you would have in Honolulu today if you had not imported your labor there to harvest your pineapples and sugar years ago. You have that situation. We are trying to get 30,000 Mexicans to come into the United States under Public Law 414 every year. Maybe we will eventually have enough people in the United States to handle our own crops, but at the present time we do not.

A point has been made that something is askew because we are arguing the same issue twice during the same session. I merely ask the gentleman from Honolulu if that is so and if this was civil rights that was defeated during the first part of this session, I am sure he would be right up here with the rest of us trying to get the matter heard again. This is an important issue.

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

Mr. LEGGETT. I yield to the gentleman for a question.

Mr. ROSENTHAL. It is now about 90 years that California has had foreign imported labor. When do you think the time will come when you really do not need to import any labor? You had the Chinese and the Japanese, you had the Mexicans and maybe you will have surplus Russians next—I do not know. But when do you think you will reach the point that you will not need imported labor?

Mr. LEGGETT. That is an excellent question. I see the gentleman from New York [Mr. ROSENTHAL] has been reading some of my material.

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

Mr. LEGGETT. If the gentleman cares to answer the question, I yield to the gentleman.

Mr. MOSS. I will say to the gentleman, when I think there is a reasonable prospect of being able to recruit not at levels below the minimum imposed by Federal law, but at levels above the minimum imposed by Federal law—when that day arrives, and we all hope it is soon, we will not request extension of this law or any other law designed to give us a supplemental labor supply.

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

Mr. LEGGETT. Before I yield for any further question, I would like to provide my answer to the gentleman's question. You ask, When will you get enough labor to solve this question? I would like to point out in the September 30 insertion of mine in the CONGRESSIONAL RECORD, we show in California in September, we were utilizing 54,000 bracero laborers as opposed to 72,000 in September of last year. I think this shows we are trying to make a concerted cooperative effort in our State to try to abide by the will of the President and the will of the Congress to curtail this labor source.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield for a question?

Mr. LEGGETT. Let me get into the body of what I want to say first, please.

I would like to say I have heard my colleague, the gentleman from California [Mr. ROOSEVELT] talk about an amendment to limit the use of bracero labor to existing users, and I understand it is agreeable with Mr. ROOSEVELT that this amendment be limited to people who have used bracero labor in the past. With that understanding, I am going to offer an amendment to his amendment and I am going to support that amendment. Perhaps, we will not be unanimous with respect to it, but at least that is my feeling and at least that is what I am going to do.

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

Mr. LEGGETT. I yield to the gentleman.

Mr. HAYS. Would you mind telling us what your amendment is or are you going to limit this club that uses this slave labor to the ones who are using it now?

Mr. LEGGETT. I do not think this debate should take on the facade again of bad guys versus good guys. For my part, I have always supported liberal efforts for collective bargaining and minimum wage and guaranteed annual wage. For those who think they are more liberal than I am, I will ask you how many of you have voted for an agriculture bill in your State providing $70 a week disability insurance for agricultural workers. We have done it in my State. We have that bill which is existing law in the State of California today.

Mr. HAYS. Does that apply to Mexicans, too?

Mr. LEGGETT. It applies to anybody who comes in. We have workmen's compensation, we provide transportation. We also provide housing. That is part of the Federal regulations.

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

Mr. LEGGETT. I yield to my good friend, the gentleman from Hawaii.

Mr. MATSUNAGA. Since the question was addressed to me earlier, Mr. Chairman: "Where would Hawaii be if labor had not been imported?" I would like to answer that question by saying that we do not now import and have never imported braceros to do our farm labor and we are not paying slave-labor wages of 60 cents an hour. We are paying in the State of Hawaii $2 an hour to fieldworkers and have the highest agricultural economy today in the entire United States. Our agricultural workers are permanent residents who have become naturalized citizens or are eligible to become citizens.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. LEGGETT. I would merely point out to my colleague from Honolulu this. He talked about 60 cents an hour. If you read pages 20434 and 20435 of the CONGRESSIONAL RECORD, the insertion I placed in it in the last 10 days, which is the report provided to my office by the Department of Labor on the wages which were paid in the bracero program this year and last year, you will find that there is no wage listed in that categorization provided by the Department less than 82 cents an hour. If you can provide me with figures on that 60 cents an hour, I would like to see them, but they are just not available.

There is just one further thing I want to bring out. I would like to read portions of two letters which were sent to my office which I think are extremely significant. The first letter, of course, comes from a grower in my district who is a small family grower, who anticipated some of the arguments here today and stated this:

DAVIS, CALIF.,
October 28, 1963.

Hon. ROBERT L. LEGGETT,
House of Representatives,
Washington, D.C.

DEAR MR. LEGGETT: In the light of an interview you recently gave my son David, and his sister, Mrs. Nordstrom, and your interest in David's 2 years of work with Friends Society in Mexico in two small villages, plus your request of a letter from him in relation to bracero program Public Law 78, I feel encouraged to add my own thoughts for your consideration.

Permit me to give a brief sketch of my personal farming history. One hundred and sixty acres just over Yolo County line in Solano County was inherited from my great-grandmother. My wife and I struggled for years to purchase 80 acres more. Now with rented land we farm 400 acres.

To insure good yields we spend more in weed control, fertilizer, etc., than most, but though we harvest good crops our annual net taxable income is less than the average urban worker.

This year I am 57. Have never done anything but farm. At first with my father with livestock. Very hard years. And it has been tough going to put a son and daughter through college with another son partly through. Had we continued the old way of farming with livestock it could not have been done in this area.

This bit of family history seems necessary to acquaint you with facts of my experience from living it on this strictly family farm, family managed.

About 20 years ago we started learning diversification, raising a number of row and field crops instead of livestock. Our specialty today is high-risk tomatoes, followed by expensive but somewhat lower risk sugarbeets, then for rotation the lower income crops of grain sorghum and barley.

Our experience shows tomatoes, with careful planning, pay a little better than other crops, but due to the risk factors of pests, water shortage, real harvest threats in weather, uncertainty of and high costs of labor, I have never felt safe to raise large acreages of tomatoes. Keeping acres under 100 purposely.

In these 20 years with tomatoes in wartime and peace, I have depended on many classes of help for harvesting before the braceros were available. Some of these experiences were unsatisfactory and almost disastrous and included high school students on weekends with teachers for supervisors, the first "Okies" to California, an all colored crew, California Indians recruited through their so-called chief, and Filipinos, and the men our department of employment insists we have to put to work, qualified or not, the "winos."

Finally we qualified for use of braceros and have grown to place them at top for work performance and dependability. But not from any wage advantage, let me stress this please. This program is costly to us and we have so many curbs and rules and interpretations connected with use of braceros that it is really difficult to use them for fear of making a misstep in some direction. And while braceros have a contract with us growers to protect them, no grower has a contract hold on braceros. So they can and do go home when the mood strikes them, when the cream has been skimmed off, or the weather doesn't suit, or picking gets difficult. Yet they are the best, most dependable help we have ever had.

The program is often termed "slave labor." People who complain and use that label are ill advised, uninformed, unwilling to accept truth of farmer problems. Yet these same people can swallow the hook, line, and sinker of groups, apparently better organized and more vocal than farm groups, who are trying to defeat the program and insist they carry a strong political weapon of votes.

We farmers recognize this powerful force, and are aware of the implications. So we greatly admire and deeply thank you and other Congressmen who are aware and trying to do this job of saving large parts of our farm economy by preserving our ability to harvest. Regardless of party differences we salute those of you who have this integrity to stand up and be heard and cast your ballot "for."

It is said by this opposition this is "slave labor." This really hurts. For we follow a scale of pay for tomato harvest which receives careful study each year. Under it the price is determined at the end of each day's work when pickers cards are totaled; how many boxes, how many claims picked, how many hours worked in the day for each man. This then determines the rate for this day using the approved scale. Under it all men make $1 per hour or more. Our men who act as loaders and pick a few boxes between loads make $20 to $22 per day.

Most days were 8-hour days and fairly agile men made from $1.35 to $1.75 per hour. Two or three of my men this year were slow but careful workers and did not make $1 per hour. These men on payday received "make up" pay to bring their wage up to the $1 figure.

Our payroll reports are on file in our association office subject to inspection of compliance officer at any time.

And the camp manager must furnish his grocery bills to prove he purchased the quantity and quality of approved food required for the number of men fed.

If the Mexican workers are not permitted to enter here in the future many growers including myself must make a personal decision. Shall I grow the same acres any longer? Positively not. Will I try to squeeze by with possibly a quarter of my usual? I think not. Sure the price of tomatoes will rise but only as far as economics of the processors permit considering freight cost to compete with Eastern States. No, I think I would have to be a "has-been tomato grower".

Then the money we spend for labor will not be forthcoming so what makes these so-called experts think that the same money will pour into pockets of unemployed people here? The unemployed people here I know from past experience are not about to come to the farms to pick tomatoes. And I must not place myself in the vulnerable position of having to depend on them. I would have to be finished as a tomato grower. As a beet-grower I need workers qualified and willing to work. Without Mexicans my beet production will go downhill fast.

Our ground requires much handwork. A small percentage of the high school boys tried this year stuck it out. With "winos" we are helpless. It must be remembered we have to stay solvent. Maybe not make any money but we have to pay for equipment and stay on credit with our banks. This opposing legislation will cure no problems but will create many more as I divert these acres to other crops in surplus now.

Thank you, Mr. LEGGETT, if you could read this far.

Yours truly.

WILLIS E. HANSEN.

Mr. Chairman, I do not think it is immoral or anything we have to be ashamed of in any way, shape, or form. It means we have two different kinds of agricultural workers and industrial workers in the United States.

I have one further point I would like to make and would like to call this to the attention of my colleague from Ohio, who I know is quite an internationalist. It comes from a young friend of mine who I did not really know was a friend of mine. He was with the Quaker Friends Service Society. All of you have had literature from the Quaker Friends Service Society, and I am not part of that group, but they are extremely liberal. I received a commendation from them last week on another matter. They have a doctrinaire position against this bill, but this letter is from a boy who worked for the Quaker Society in Mexico for 2 years, I think, and he states:

I have personally seen the good influence of the bracero program in Mexico. I have seen many checks from the United States cashed in small Mexican banks. I have spoken to the women cashing these checks. Invariably the money has been sent home by sons or husbands working in the United States as braceros.

One of my best young Mexican friends spent about 2 months as a bracero this year. He returned home with $600 over and above all expenses. To some people, this may seem like a small amount. They do not know that a Mexican doing comparable work in Mexico receives about 80 cents a day. A large family is often supported on this daily 80 cents. This is seasonal work. Some of this 80 cents must be saved to tide the family over when work is not available. Think of the influence $500 can have on such a family—and, for only 2 months' work.

During my travels through Mexico, often through small, isolated rural villages, I have consistently seen young men who have been braceros, and who stand out from other villagers. They often have new houses, new furniture, radios, better clothes. Some of these products have been purchased in the United States.

There is a much greater influence than the money the braceros return with. It is more subtle, but more lasting. Many of these young men will be leaders in their villages. They are also farmers. They have received an education during their stay in the United States. They have seen firsthand the accomplishments of our farmers. They have learned new practices, many of which they can apply to their own farming operations. They can gain a new perspective; a hope. How does one break away from the traditional way of farming? Son follows father, generation after generation. Little improvement is made, while soils deplete and people get hungrier. The small changes these leaders make can break this circle. Others will follow the example. Hope and confidence can dispel the belief that all farming is a matter of fate. Man can have control over his crops.

DAVID HANSON.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I think that most of us agree that this is probably a phaseout program, at least the people who have contacted me from our State of Michigan I believe are beginning to understand that it is a phaseout program.

Up in Michigan we use Mexican labor now only in the pickle industry, in harvesting cucumbers. The people in that industry and the farmers who raise cucumbers have asked me to support this measure because they are at least a year away from any kind of a mechanical harvesting device which is practical. As a matter of fact, they know from experience that they cannot get domestic manpower, either migrant or local, to harvest pickles. It is stoop labor and they cannot induce the people to go out and do that kind of work. They are in the process of developing a machine and in the process of developing a variety of cucumber which will be uniform in its growth so that you can have a uniform size of the plant, and so on.

So, with that in mind, I urge you to support this 1-year extension. I think that the people up in that part of the country realize that very decisively after the way the measure was defeated in May, they cannot depend upon this importation of labor as any kind of a permanent proposition. But to be cut off without any extension at all will be definitely unfair to them.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I think it is well for us to take a look at the report of the committee to ascertain how many workers we are talking about. You would think the number would amount to a couple of million. Actually only 194,978 Mexican braceros were imported in 1962. That is a very small number considering the working force in the United States.

In 1962, only 6 States out of the 50 used more than 10,000 bracero workers; Arizona, Arkansas, California, Colorado, Michigan, and Texas used more than 10,000 workers. Only 21 States out of the 50 contracted for braceros in any number. I think it is well for us to keep this in mind.

We have heard arguments that this program has a tremendous impact on the working force of this country. I think it is well to turn to page 6 of the report and specifically to the letter from the Ambassador of Mexico and to his statement that reads:

Therefore, the absence of an agreement would not end the problem but rather would give rise to a de facto situation: the illegal introduction of Mexican workers into the United States, which would be extremely prejudicial to the illegal workers and, as experience has shown, would also unfavorably affect American workers, which is precisely what the legislators of the United States are trying to prevent.

Some people may wonder why we are concerned in Ohio about this bill since we do not contract for any bracero laborers. We raise tomatoes and sugarbeets in Ohio. The harvesting of these two crops require stoop labor.

You cannot get domestic labor to do this type work. You can go to the unemployment office and register for so many workers and just pray that you get them. They are not available.

So, how do we get them? Our farmers contract for Texas Mexicans—American citizens, if you please, and bring them into our area to do this stoop labor.

So, Mr. Chairman, we have to import them, but not across the border. However, we realize that there are only a given number of these workers available. Should this bracero program be defeated, our source of this type labor would be exhausted. Our crops would not be harvested for want of this necessary labor.

Mr. Chairman, I think it is important that we view this objectively and look at the overall picture, particularly in these States like Ohio that are not contracting for braceros and have not contracted for them in the past.

Mr. Chairman, this is a problem which affects every State employing stoop labor. It is just not the problem of these 21 States contracting for bracero labor.

A great number of people have been turned against this program by reason of the showing of a TV film a couple of years ago which showed migrant workers and their families in great distress.

Mr. Chairman, the people pictured in this TV film were not bracero. They were unregulated migrants. Braceros are only adult males. Their families cannot accompany them. These braceros are given proper housing, transportation, and so forth. So, these people who have been writing you and who have been writing me are usually writing about problems not involved in the bracero program. In fact, in most cases, they are totally unfamiliar with the bracero program.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I believe that the bracero program ought to come to a halt. But I think that the farmers in many parts of the country are dependent on them, and it ought to be done in an orderly way. These extensions of the program are not a very good way of doing it.

Mr. Chairman, I surely would have preferred if a bill could have been brought out here onto the floor of the House for an orderly time of removing and terminating the bracero program. But as we have it before us today, this is merely a 1-year extension. I plan to vote for this 1-year extension and that is the end of my support for this program.

Mr. Chairman, I hope that the people will realize that the statement of the gentleman from California [Mr. SISK] earlier when the debate was opened up on this bill, that this is the end, that they ought to get their house in order and make arrangements to secure adequate domestic labor, will be taken to heart. If this bill passes, and I hope it will, this is the assurance that they should have, that many of us feel that this program ought to come to a halt. I accept the statement of the gentleman from California when he says this is the end of this program.

I understand in talking to people who have these crops produced in their areas that use bracero labor, some of these crops, such as lettuce, come into harvest prior to the school year closing in June, so they are unable to hire high school students and find adequate labor.

As I say, also, the Secretary of Labor ought to make certain that there is no domestic labor available before the braceros are permitted on the farms.

That is why I hope that the amendment which I understand the gentleman from California [Mr. ROOSEVELT] is going to offer will prevail. I think this buttons it right down to a 1-year program and provides the assurances that need to be made.

This adds to the assurances in the law that domestic workers will have the opportunity to work. Thus braceros could not be hired unless the Secretary of Labor certifies that no other domestic help is available.

It should also be stipulated that if braceros are already hired and then domestic help becomes available, that the braceros should then stand by and not be put to work unless a further shortage of domestic workers occurs.

I feel that this is what we should do in order to protect American migratory labor.

I might point out some growers who need to secure domestic workers from Texas and places like that who are displaced by bracero labor will be affected, but it seems to me that is an adjustment that needs to go on in this country so that the people who are available can find a job with adequate pay and adequate benefits given to American workers. I think after this year Public Law 78 should come to a halt. I will support this bill at this time, though not in the future.

We need a phasing out of bracero labor, which was only developed in the first place as a war emergency measure. There have been many extensions. Some weeks ago we had a 2-year extension offered and the House turned it down—I voted against it. Now we have this 1-year extension. Before every extension, we have been told it is only to allow the growers time to adjust to hiring domestic labor. They have never done it, but just come back and ask for another extension.

I support this 1-year extension, but if it is not the last one proposed, I can tell you right now I will not support the next one.

Mr. PURCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Chairman, I represent a congressional district which I think has the longest boundary between the United States and Mexico of perhaps any other Member of this House. I have many growers in my district who have used bracero labor over the years the program has been in operation. I have great sympathy and great concern about the treatment of the American migrant labor families in this country, and I think the time has come when we have to do something about their welfare too.

Last May 29 a bill came to this floor of which I was the author to extend this program for 2 years. I said on behalf of that bill at that time that I felt somewhat like the old wornout story of the witness in court who was asked how he felt when he saw his mother-in-law drive his brandnew, uninsured Cadillac off the cliff. He replied, "I had mixed emotions."

That is the way I felt then about the 2-year extension, and I must confess I have mixed emotions about this legislation today. But I am supporting this bill, I am supporting the extension, and I am urging my friends in the House to support the extension because a defeat of this bill in an effort to do justice to the migrant workers of America would do a great injustice to the farmers, the decent, honorable, hard-working farmers of this country who have built up their farms relying in part on this program. These people simply have no way of getting the labor they need to get their crops out and take them to market.

I do not think you accomplish anything for the migrant workers of America, and I say this sincerely to my friends, by taking a whack at the farmers of America in voting down and defeating this bill. I think an extension is the rational way to do it at this late time in the year, particularly. It would be extremely unfair, it would be an extreme burden on those who are counting on this act. Some crops are being planted now, some will be planted in the next 60 to 90 days in my area; the crops will be harvested next year. These people are dependent on this kind of labor.

The fact of the matter is we have not been able to get domestic labor. It just is not there. Under this bill the farmer does not sit in his air-conditioned home and phone up to say "Send me 2 gross of Mexican farmworkers." He has to prove that American workers are not available, he has to prove he will pay wages that will not depress the standard of wages in that particular community. This program is administered by the Department of Labor. The migrant workers of America have no better friends than the present Secretary of Labor and his predecessor, both of whom were concerned about this matter. They have always been sympathetic to the farmers. The farmers have even complained about the restrictive way the Labor Department has administered this program. So I think we can, with logic and fairness and justice to all concerned, extend this program for another year.

I say in all frankness, whether you are going to see me down here in this well during coming years arguing for this program, is something I want to leave in abeyance, but I do think it would be unfair not to extend it this 1 year.

You who oppose this bill think you are going to right a great wrong by defeating it today. You are not going to put shoes on the children of the migrant workers, you are not going to raise the standard of living of the migrant workers, you are not going to improve their working conditions, if you defeat this bill. But, if you cut off the supply of labor by a meat-ax termination, you will not give the

farmers time to line up a program to get American workers or machines to do these jobs. What you will do is put out of work a lot of people in the transportation and processing industries who now have jobs that depend on the harvesting of these crops.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, lest anybody think this an Arizona week, let me assure you there will be Members from other States who will speak. It is a pleasure to follow my colleague from Arizona and to expand on the story he has so ably told the House.

In Arizona we use about 16,000 braceros a year. We are down somewhat from the number which we formerly used because we do not use braceros to pick cotton anymore. In fact, about 90 percent of the picking of cotton is now mechanized. Mainly we use them to grow vegetables.

These people do what we call stoop labor in the fields. It is not easy to get that type of labor. There has to be a shortage demonstrated before Mexican laborers can be brought in. It is easy to demonstrate it because the shortage is bona fide and chronic.

However, this I suppose could best be called a horse-and-rabbit bill, because a lot of people here are trying to compare horses and rabbits when they speak of the legislation. We have had people on both sides of the aisle talk about the evils that beset migratory labor, the things that happen to people that are in migratory labor. I deplore the status of certain people who are migratory laborers in certain areas of the country as much as anybody does, but when I recall the state of migratory labor in Arizona prior to the adoption of the bracero legislation I wonder if a lot of people should not give credit to this legislation instead of castigating it. In other words, the migratory worker in practically all the areas which use braceros is better off today. He makes more money, he has better living conditions, his family is living better. Why is this? Because, in order to get the bracero the grower must offer certain conditions, not only wages but working and living conditions, to the domestic worker. If he did not, he could not get the bracero. This has been a program which has been good for the domestic worker as it has been good for the bracero.

We have heard it said on the floor of the House that if you go to a Mexican village and see a television aerial you can be pretty sure a former bracero lives there. This has brought prosperity to the Mexican worker.

I am not going to tell you that I think this will be adopted another year. I hope it will be adopted this year, but I imagine, knowing the temper of the House as I do, that this will probably be the last year for this bill, and that this program will die for awhile. But somebody is going to grow vegetables. The people in the districts of many of you sitting here who are fighting this legislation want the lettuce, the carrots, and the other vegetables that are grown in California, Arizona, and many of the other States which use bracero labor.

What is going to happen? Well, two things are going to happen. In the first place, naturally, the grower who wants to stay in business is going to offer a higher wage for domestics. I think this will be the first effect. Even then, the grower probably still will not be able to get the domestics, so a lot of them will go out of business. But if the grower does keep more and more for workers and if he is able to get domestic workers to come to work to do the stoop labor, then the price of his product will go up and some of you gentlemen who are doing your best to defeat this bill will find the consumers who live in your district will be paying a lot more for their produce in the near future than they are paying right now. But the law of supply and demand will step in, gentlemen, and before long the people who are living in your districts here in the East will not pay the price they have to pay for western produce. What will happen? Will they be without this produce? No, they will not be without it because it will be grown and sold at a price your people will pay—where? It will be grown in western Mexico. Many of the same people who are working in the United States now as braceros making $1 an hour or more, will then be harvesting the same type of produce in western Mexico. How much will they be getting? They will not be getting a dollar an hour. They will be getting 80 cents a day, the going wage for agricultural labor in Mexico. So who will lose? The bracero will lose and your consumers in your own districts will lose in the end.

Another loser will be the United States. Much of the income derived by American growers from the sale of produce will be transferred to Mexico. Lands now profitably tilled—supporting small towns, small businesses and people, both American and Mexican, providing superior quality produce to the cities of the East—will be hollow and deserted. This is because the law of supply and demand is inexorable.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I rise in support of the pending legislation because I represent a district that depends a great deal upon this source of labor.

I cannot urge too strongly that in the interests of the agricultural economy of sizable areas of this country the Mexican farm labor program must be extended.

Many of our colleagues will, during debate, discuss the general situation regarding this program. Most arguments on both sides are familiar ones—the facts and figures are available for all to see.

But I would like to stress one matter that is usually overlooked when the bracero program is discussed, and relate it only to the situation in my district, the 28-county area of the Panhandle of Texas.

Without braceros to assist in the harvest of cotton and vegetable crops, panhandle farmers would be faced with two alternatives: They could employ the illegal immigrants, known by the unpleasantly derogatory term "wetbacks," who are sure to flood into Texas by the thousands; or, they could simply leave the crops to rot in the fields.

There are no other alternatives for many of these farmers, for whom the cost of purchasing mechanical harvesting equipment would be prohibitive.

The fact is this: There is simply no domestic labor supply available to take up the slack.

I realize that this is a statement that many of our colleagues from more populous areas find difficult to understand.

Our area of the West is vast and sparsely populated. My 28-county district—with a population of approximately 400,000 persons—covers an area five-sixths the size of the entire State of Indiana. The largest city in my district, Amarillo, has a population of about 160,000 persons. No other city in the district has a population of more than 30,000. Hundreds of miles separate the Panhandle of Texas from any large population center that might be expected to supply a reserve of seasonal labor.

I ask that my colleagues from areas of concentrated large populations consider the difficulties that thus confront farmers in the Texas Panhandle who need help—and lots of it—at harvesttime.

Everyone would much prefer to employ U.S. citizens at harvesttime and any other time. But they are just not available. Employing seasonal workers under the Mexican farm labor program is not inexpensive; as you know, there are large costs piled atop the wages paid to the workers.

I emphasize to you that the Mexican farm labor program must be extended if the needed supply of seasonal labor is to be available to this large area of our country.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Chairman, one of the delights of air travel is the fact that the plane lifts us from the sidewalk, from the restricted view and the cluttered details, to a vantage point from which we can get a broader vista and see the true relationship of larger things. Similarly, when I see all of the details and conflicting views on this bracero program, I find myself continuously turning to a broader view.

I like to think of this as a matter of principle. I will readily admit it is predicated on pride; not on a personal pride but I think a pride in being an American. The overview which compels me is this: In this great Nation with its power, with its wealth, with its ingenuity, with its ambition, I find it impossible to believe that we have to import anybody to do any job. If such importation is indeed needed, it has to be for one of two reasons: Either because we lack the talent to do a particular job or because like Gibbons' Rome we have grown decadent, fat, flabby, lazy; and I hate to think that this latter is a matter of fact.

Oh, yes, I know it has been said many times that it is absolutely impossible to

find domestic laborers to do this job. Now, if this so-called stoop labor is an occupation which is unfit for human beings, there is no more humanity or no more justification for using foreign human beings than American human beings. If, on the other hand, this is healthful work, decent work, work which is good for human beings, then we should not have to turn to some foreign nation to get this labor.

We have heard today that even the unemployed American does not want to do this job. One gentleman from the great golden State said "perhaps we have painted ourselves into a corner." And indeed they have. He describes a system of unemployment compensation in which a family can get as much as $1,000 a month for not working. I do not propose to rescue those people who have prepared a silly program which enables an individual to retire on unemployment benefits rather than to seek honest labor to win the bread for his table. This they have done. Neither the bracero program nor any other such program can ever be used as a justification to an extension of bad sense such as we find here.

Then we come to this other fact: We are phasing out this program. I would submit to you that in actual fact we have made more progress in phasing out prayer in the last 3 or 4 years than we have in phasing out the bracero program. Twice I went along myself with this bill because it was said, and I was assured, that we are phasing out this program. This is the last year. Today we have people on both sides of the aisle saying, "Now, do not count on that. Next year we will take another look." Another individual says, "We plant strawberries, or asparaus, or something, and have a 3-year crop." Next year, of course, we will be told the farmer is in the second year of this production and we need another year in which to phase out this program. If this program is wrong, extending the abuse to the next year cannot salve anyone's conscience. This temporary extension is a tired song and it has been played far too often here on the floor. Indeed, in these marble halls I think the word "temporary" has replaced Methuselah as the symbol of longevity, whether it be temporary taxes or temporary work programs or temporary anything else.

I do not enjoy opposing individuals with whom I usually vote, people who are my good friends and associates. I think in my heart this is a bad bill, and I think it should be defeated.

I yield back the balance of my time.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I rise in support of this legislation. I would like to make a few comments, as chairman of our Family Farm Subcommittee of the House Committee on Agriculture. As has been emphasized by previous speakers, to do away with this program would have a particularly adverse effect on the family farm. In September of 1962 there were 8,332,000 total farm laborers. Of this number there were 228,000 domestic migrant workers and 106,000 Mexican nationals.

A family farm, Mr. Chairman, if you want to take a rule-of-thumb definition, is considered a farm that is big enough for a farmer and his family to make a living on and yet is not so big that the farmer and his family cannot provide over 50 percent of the labor at all times, except at harvest time. When harvest time comes labor is essential.

The family-size farm has handicaps because of the availability of labor. Where are you going to get labor immediately so your perishable crop will not be destroyed? The family farmer is handicapped because of unemployment insurance programs. And I suppose nearly all of us in the Chamber have voted for unemployment insurance programs. But can you imagine the difficulty of getting a man to stoop to pick strawberries for $20 or $30 a day when he and his wife, according to the gentleman from California [Mr. LEGGETT], may be eligible to draw $1,000 a month in unemployment insurance?

It is a terrible matter, Mr. Chairman, that confronts the family farmer of America if, when he has available labor, properly certified by the Secretary of Labor, willing to work and the farmer is willing to pay him, to refuse him the privilege of obtaining that necessary labor.

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

Mr. MATTHEWS. I am delighted to yield to my very dear friend from Ohio, Mr. HAYS.

Mr. HAYS. Mr. Chairman, I just wonder if there was any bracero labor involved in these boiled peanuts that the gentleman peddles around here once in awhile.

Mr. MATTHEWS. I will say to my dear friend that I am glad to report that there is no bracero labor involved in that.

Mr. HAYS. These two bills are not related in any way?

Mr. MATTHEWS. Absolutely not. And I want to thank my dear friend for his support of that legislation that we passed in the early part of the session. Mr. Chairman, I hope H.R. 3915 is passed because it is helpful to the family farms of America.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Chairman, Public Law 78, the Mexican labor law, is most beneficial to the small farmer and operator who is not in a position to pay the high cost for machinery in the cultivation and the harvest of his crops. A larger operator may be in a position to purchase costly implements, obviating the necessity of hand labor being used to do the work. Great numbers of small farmers operate solely by and through the work of themselves and their immediate families. They do, however, require assistance from some source at peak periods of the year during the time that they are weeding their crops or actually engaged in the harvest.

A letter came to me recently from Mr. Robert Ball of the Monette Growers Association, which reads as follows:

Mr. TOOK GATHINGS:

SIR: I am writing you in regards to the Mexican labor program. We of the Monette Growers Association are a group of small farmers. We do not have the money to experiment with chemicals, also machinery is expensive and the small farmer cannot compete with the larger farmer in this respect.

Mexico is our next door neighbor and communism is scattered over the world. Our relations have been good with Mexico and we want to keep it that way. As you know the labor program is a great help in keeping our relations on a friendly basis. We are interested in keeping the program alive.

Yours truly,

MONETTE GROWERS ASSOCIATION,
ROBERT BALL.

Mr. Ball not only wrote in behalf of the small farmer for the need of supplemental labor for certain periods of the year, but he emphasized the importance of the extension of Public Law 78 in behalf of amiable relations with our neighbor to the south, the Republic of Mexico. The Monette Growers Association feels that it is most essential that a program that has meant so much to the small farmer, the consumer, and the Nation itself, should not be abruptly terminated as it also has aided almost 200,000—which was the number that worked in the United States last year—bracero workers and their families and the communities from which they come.

Mr. HOEVEN. Mr. Chairman, I yield 6 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, at times the impression is created that this legislation is almost exclusively for the benefit of States such as California, Texas, Arkansas, Arizona, and the like. However, let me assure the Members of the Committee that this is not an accurate interpretation of the benefits that will accrue from the enactment of this legislation.

Mr. Chairman, the State of Michigan to a substantial degree is a very highly industrial State but it does use in large numbers braceros and has done so for a number of years. The reason is very simple. The kind of crops that we grow in a number of areas in Michigan, such as cucumbers, are the kind that need labor that will do these difficult jobs. The crops are, for example, cucumbers, sugarbeets, and certain varieties of fruit.

I do not know how many who object to this legislation have ever seen a cucumber crop being harvested and have seen the hard labor and the difficult labor that is required to see that this important crop is picked for the consumer. But let me give you an example of how in Michigan we are trying to get away from the program. For example, in August of this year in a seven-county area, which

includes the two counties that I represent, there were 10,300 domestic farm laborers on the job and there were 2,300 braceros. By October 15 of this year in the same seven-county area, the number of braceros had dropped to a total of 70; whereas, there were 4,700 U.S. or domestic farm laborers working in the harvesting of the crops. In other words, even at the height of the season the braceros constitute only a relatively small percent of the total farm employees used in these crops in this part of the country.

Now, Mr. Chairman, even though we are seeking to get more and more domestics and less and less braceros on the short-haul as well as the long-haul basis, I think over the years you will find, and very shortly, that through mechanization we in Michigan will need only a very limited number of braceros.

It was my experience a year ago to see how mechanization is taking over in blueberry through the shaker method. They tell me that in the picking of cucumbers within a year to a year and a half they will have a mechanized method of picking this crop, which today is exclusively picked by stoop labor. So, through automation and mechanization we are going to solve the stoop labor problem. However, if we do not permit this program to continue for another year, we are not going to have this crop and undoubtedly others available for the consumers.

Now, Mr. Chairman, some people say, "Well, we can get domestic labor." Let me assure the members of the committee that even in 1958 when in our area we had a 14- to 15-percent unemployment you could not get domestic labor to go out and work in the cucumber fields. It was impossible. This year and last year, and we hope next year, we are going to have a good year in the automotive industry. Today, unemployment is about 4 to 5 percent or less in our area of Michigan. It is just impossible under those economic circumstances to get the necessary domestic labor to harvest these crops. The net result is if we do not have this legislation for at least another year, you will not harvest these crops. Furthermore, we will have a very adverse impact on employment in the industry that produces the cucumbers.

Mr. Chairman, how significant is this? How significant? Well, in Holland, Mich., in the congressional district which I have the honor to represent, we have the largest pickle factory in the world. They produce more pickles at this plant than at any other plant in the world. If we cannot grow and harvest cucumbers—and harvesting includes the obtaining of labor in the field—this relatively new plant which has been doubled or tripled in capacity in the last few years will not employ workers in this community, a city of 18,000.

The investment by the owners will be wiped out, the jobs of the people who work in the plant, anywhere from 500 to 1,000, will not exist.

When you bear in mind the overall picture from the point of view of the consumer, the point of view of the people who are working in the processing plants, the point of view of the farmers or producers and the domestic workers themselves, this legislation ought to be enacted.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the legislation. In the 23 years I have been a Member of this Congress I have never been lobbied by so many high-handed, brazen lobbyists as I have in the past 3 or 4 weeks in behalf of the extension of Public Law 78, which some people call just this little old cotton-pickin' bill we are considering here this afternoon.

I am receiving letters from organizations like the Apple Growers' Association. What is there about stoop labor that is of interest to the apple growers? I have received communications from nurserymen. What is there about stoop labor that is of interest to nurserymen? These and other organizations have brought more pressure on Members of Congress in the last 3 or 4 weeks than I have witnessed in the last 23 years.

What I said last May about the bill, that this is a slave labor bill, in my opinion, still holds true. It is a slave labor bill. When I hear people in Illinois getting up today saying they are going to support this bill, as I sat down here, I was thinking Abraham Lincoln would turn over in his grave today if he could hear people from Illinois getting up saying they are supporting this sort of slave labor legislation. Many of us thought that Lincoln freed the slaves about 100 years ago, but if we want to continue this kind of operation and continue this kind of slave labor in this country, as we have since 1951, we will be looking for another Abraham Lincoln after 1968.

There has not been one person that I know of in the House this afternoon who has said this is going to be only a 1-year extension that really believes that. I do not think any of us ought to be kidded into believing that this is just going to be a 1-year extension. Many in the past have said this is going to be discontinued a year from now, 2 years from now, or 3 years from now. We have been hearing this since the conflict in Korea.

The reason Public Law 78 was enacted was because we were at war in Korea in 1951. The same arguments were made then: "This is only a temporary measure. Give us 2 or 3 years until we can work ourselves out of it." But in 2 or 3 years they went up to nearly 500,000 Mexicans that they brought into this country in 1 year. Sure, it is down to 195,000 or 196,000 now, but this does not mean that they are going out of existence.

How in the world anybody with a good conscience today can vote for this bill, after they voted for the last farm bill, one of the worst pieces of legislation ever considered by this House, I cannot understand.

Mr. Chairman, we are considering again today a bill which the House defeated this last May 29. I spoke against the bill then, as I always have, and once more I want to state my complete opposition to it. The RECORD for May 29 contains the basic points of my opposition to the Mexican program, as a slave labor piece of legislation. I want to reemphasize that the lapse of 5 months has not changed the character of the law or my position on it. Our unemployment rate in the United States still continues at a high level, 5.6 percent of the labor force in September.

It is still a matter of concern that a program spawned under Korean war conditions should be filling jobs with foreign workers when workers here in the United States must do without. This law in every way benefits the larger, well-run corporate farms. We are encouraging the 2 percent of all farms in the United States who use Mexican workers in several ways: We make the labor available; we remove the need for income tax and social security deductions, thus lightening their workload; we make the workers available when and where employers want them, removing the seasonal worries faced by smaller farms who do not use them. The advantages of such a law are obvious to the 2 percent of the farmers we are speaking of. In effect, it relieves this group from the pressures of a free labor market system. Is it any wonder that wages of domestic workers have tended to remain low where the Mexicans are used?

We have consistently left farm labor out of the protection of our labor laws; we should at least leave them the protection of the law of supply and demand.

About a month ago, this body passed a tax measure, H.R. 8363, in which we declared that we recognize the importance of taking all reasonable means to restrain Government spending. The President's television speech promised that "no wasteful, inefficient, or unnecessary Government activity will be tolerated." We will never get a better chance to put this promise into effect. The activity represented by this Mexican program is wasteful, and inefficient, and unnecessary, all three—and immoral in the bargain. Accordingly, it should no longer be tolerated.

I pointed out last May, and it is even truer in light of the tax cut, that we simply cannot justify paying subsidies to support crops already overproduced to the point of unstable prices, and then counteract these support measures by paying to bring in foreign labor to encourage production of the same crops. Let me cite the cotton support program and the sugarbeet support program. The U.S. Government paid out $275.5 million in 1961 to farmers in six States where Mexican workers were used to produce cotton. When the figures for the 1962 crop are finally totaled, the amount in the same six States promises to be even higher.

Under the Sugar Act, producers in States where braceros were used in sugarbeet production received $27.1 million in 1961 to maintain the income from their crop.

These payments were being made while cotton was the crop in which most Mexican workers were used, and sugarbeets the fifth largest user of bracero labor. There were as many as 25,900 braceros used in cotton harvesting in 1962 and 13,600 in sugarbeet cultivation.

It might be added as a footnote to the cost to U.S. taxpayers that the subsidization of the sugar industry, in the form of both direct money payments and a supply of cheap foreign labor, has been rewarded by wildly climbing sugar prices during this year, despite the protests that sugar is not in short supply. So the taxpayer is being asked to pay in three ways for higher priced sugar.

Mr. Chairman, I think that for once we should not only say we want to help the family farmer and the farm worker, but should act on our belief in these people by defeating this program. We will remove the artificial limits on wage and job opportunities for farm workers; we will make the position of the family farmer more competitive with the corporate giant who has recently become his neighbor. In short, we can help return to a free market system for agricultural labor that all should welcome.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. BROTZMAN].

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

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

Mr. LAIRD. The gentleman from Rhode Island [Mr. FOGARTY] and I serve on the Appropriations Subcommittee handling the appropriations for the Department of Labor. We have gone over this program on a yearly basis. The last time this program was up I did not support the 2-year extension.

In the hearings we have had before our committee one would have to agree that the Department of Labor has done an outstanding job in the area of enforcing the provisions of this program as set forth by Congress. I think the gentleman from Rhode Island would have to agree that the enforcement by the Department of Labor has been good. I am today going to support this 1-year extension with the understanding that the program be terminated. I have assured my colleagues that if they support this 1-year extension that this program will terminate after 1 year. I hope the Members of the House will take my assurance that funds will be provided the Department of Labor to see that all aspects of this program are properly enforced by the Department of Labor for 1 year and that the program can be satisfactorily terminated by giving this kind of notice to all parties concerned.

Mr. BROTZMAN. Mr. Chairman, I rise in support of this legislation because it satisfies a critical domestic need, it is a valuable foreign relations link with the Republic of Mexico and can be accomplished without a tremendous expenditure of taxpayers' money. It is clearly in this Nation's interest. I say this for the following reasons:

First. Need: The testimony is undisputed that growers in many areas of this Nation need an augmented labor force at peak periods to cultivate and harvest their crops. These growers live in 21 States of the Nation, but that does not make this a local problem as many argue. The producers of lettuce, carrots, sugarbeets, tomatoes, and other fruits and vegetables feed all the people in this country, not just those who live in the 21 States where they are grown. Eating is national in scope. Consumer prices are national in scope.

The need is greatest among our small farmers. The small farmer has been the victim of the mass exodus of labor from farms to the cities. These small farmers in my district are people who are tilling the soil because they like to, because they like to see crops grow, and want to raise their children in the healthy outdoors; but, they do not have the capital necessary to buy the expensive laborsaving devices that modern technology affords.

Second. Domestic workers: We are all aware of the unemployment situation, so it might seem logical to have domestic labor do these jobs. The growers who are forced by circumstances to use bracero labor would much prefer to use domestic labor. Unfortunately, the record shows that domestic labor will not perform these jobs voluntarily; under the Constitution of the United States, you cannot force them to do this labor against their will because it is clearly involuntary servitude. The report on this bill cites an example in Michigan:

> Any relationship between the use of braceros and displacement of American workers classified as hard-core unemployed can be judged by the experience in Michigan. The Michigan Employment Security Commission, in attempting to place urban unemployed into seasonal agriculture jobs found fewer than 1 out of 20 stayed on the job long enough to have a successful work completion record.

A similar situation exists in the other 21 States including Colorado as my colleague JUDSON CHENOWETH stated. In my State, a Colorado-based sugar company estimated that approximately 13,000 fieldworkers would be needed. The company conducted an expensive and extensive search for domestic labor, through their own offices and in cooperation with the Colorado Employment Service. They were able to recruit less than one-third of the needed labor supply. After having exhaused the domestic labor supply they recruited some 9,000 bracero workers and the sugar beets were harvested on time.

Since 1951 the law has been clear in the protection of the domestic worker. No Mexican labor can be used unless the Secretary of Labor certifies that domestic workers are not available; that employment of Mexican workers will not adversely affect wages and working conditions of domestic agricultural workers; and that efforts have been made to attract domestic workers at comparable wages. In short, the conditions of the law are clear—if the law is not being administered fairly or equitably then the Congress should settle that score with the Secretary of Labor.

Third. Moral arguments: I have heard the term "slave labor" used in connection with the program. Many confuse this measure with the domestic migratory worker problem and envision men, women, and children being herded across the country in cattle trucks. This is like the man in motion in a football game, designed to take your eye off the ball. First of all, only the men come to this country under a treaty with the Republic of Mexico to work under controlled and regulated conditions. No women or children accompany them. If this is slavery, then there are many thousands of Mexicans waiting at the borders of our country, anxious to throw themselves into the chains of slavery. These individuals want to come here to work and they are going to come, whether it is under this carefully controlled relationship between two friendly governments, or they will come clandestinely under the cover of darkness as wetbacks. If they come as wetbacks they live in constant dread of arrest because they are here illegally; and they are subject to every kind of unfair exploitation known to man. Because of this law, the number of wetbacks in this country has dramatically dropped from 1,075,168 in the fiscal year 1954 to only 30,272 in fiscal year 1962, resulting in a large tax savings to the public on money spent to find, apprehend, and prosecute these wetbacks. The moral equities are all in favor of the legislation.

Fourth. Foreign relations: Good relations between the United States and Mexico has never been more important to the preservation of a free Western Hemisphere and a free world. This is particularly so in view of the constant stream of Communist subversion being sprayed throughout this hemisphere from Cuba.

I submit this is a foreign aid program that is working because there is a quid pro quo between the people of this country and the people of Mexico. It benefits Mexican workers and communities to which they return. It has helped make possible a continuing balance of trade in our favor. It helps American farmers harvest their crops. In short, this program is based on reason and is not a senseless giveaway of American dollars. It is all summed up in one sentence by a communication from the Mexican Embassy contained in the report, which states:

> This has been a firm foundation for good relations between the peoples of the two countries.

So in conclusion, Mr. Chairman, this bill helps solve a domestic problem where a genuine need exists; it is a valuable foreign relations link with Mexico; it is in the Nation's interest, and merits your support.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ROSENTHAL].

Mr. ROSENTHAL. Mr. Chairman, and Members of the Committee, the gentleman from Rhode Island [Mr. FOGARTY] brought up a very signal and telling point when he suggested that there was probably more lobbying done on this bill than on any other bill in the 20 years since he has been in the Congress. Well, I am from the city of New York and I never expected any real pressure on this particular bill, but as the Washington Post reported this morning, more people have been involved in more doorways and in more hallways than at any other time since I have been in the Congress, which is 2 years.

Let me read to you the one single, almost threatening letter I received this morning. It is from the Times Square Dress Manufacturing Association of New

York, N.Y., dated October 30. It is addressed to me. It is as follows:

NEW YORK, N.Y.,
October 30, 1963.

Hon. BENJAMIN S. ROSENTHAL,
House of Representatives,
Congress of the United States,
Washington, D.C.

DEAR CONGRESSMAN ROSENTHAL: We write to you with reference to your opposition to the extension of the Mexican farm labor program. Many of us are residents of your district, and we want to tell you that we are in disagreement with you on this issue, and that we are unanimously in favor of the bracero program and its extension.

Our interest in this legislation may not be readily apparent, but I shall explain.

We are an association of ladies' high-style dress manufacturers, each of us having over 500 sewing machine operators in our employ. We are businessmen—first, last, and always, and are sympathetic to the cause of our California fellow businessmen.

We want you to switch your vote and support the extension. Of course, the only difference between this bill and the one defeated on May 29 is the length of the extension. I am sure you can handle this fancy footwork. Don't upset the apple cart—or should we say the cotton cart?

Getting down to specifics, we want you to not only support the bill, but to offer an amendment, which we are enclosing. In essence, the amendment provides that when the 200,000 braceros come into the United States for farmwork, their 200,000 wives or girl friends are transported to New York City to work as sewing machine operators for member-employers of our association.

This proposal may initially shock you, but let me explain:

1. There is a terrible shortage of sewing machine operators who will work at a dollar an hour. We are now forced to pay $2.25 an hour. If we can get these braceros, we can replace the $2.25-an-hour workers with the dollar-an-hour workers. In this way we can overcome the competition from Philadelphia and Chicago. Naturally, the $2.25 workers will lose their jobs, but that is their problem. I am sure that they can get welfare assistance and in that way all the taxpayers will be supporting them, not just the members of our association.

2. Our work is seasonal in the high style dress industry. After we copy Dior's Paris designs we have only 6 to 8 weeks to reap the harvest, and to get our dresses into the stores. Styles change so rapidly that last year I was stuck with 1,500 dresses that were too high above the knee. Can you imagine getting caught like that? Under the Rosenthal amendment, with a large number of these braceros available, we would have an abundance of seasonal labor.

3. As far as housing is concerned, we have made tentative arrangements to put the 200,000 ladies in dormitory housing on unoccupied Ellis Island which is in the middle of New York Harbor. In their off hours they will be within view of the Statue of Liberty. This should provide them with considerable appreciation of the American heritage.

To prevent any unfortunate incidents concerning the fact that we will have 200,000 unmanned females on the island, we have purchased two surplus PT boats, which will make continuous inspection tours around the island.

Incidentally, you may have some trouble with the Mexican Government and/or church groups, with your amendment. As far as the Mexican Government is concerned, just say it is good for their economy, and a pain-free method of foreign aid. Forget about the fact that it will be the American workers who lose their jobs who will have to pay for this foreign aid. Our association has taken a stand against foreign aid, but as an integral part of this program we think it is excellent.

As for the church groups complaining that the children who remain home in Mexico are left there without a father or mother, be prepared to accept a substitute which may provide for funds to send psychiatrists to the children. I am advised that we can round up enough psychiatrists to show the children the many advantages of their staying at home without their parents.

If the churchmen push the question of the problem of the natural yearnings of the female island residents, remind them of the PT boats and, if necessary, accept a substitute whereby we will be responsible for the construction of a Cyclone fence around the island. Don't agree to anything beyond the fence, because if the program becomes too costly it loses the financial advantages that we envision.

Good luck.

We remain,

Yours for a free economy,

TIMES SQUARE DRESS MANUFACTURERS ASSOCIATION.
JOE DOAKES, *President.*

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from South Dakota [Mr. REIFEL].

Mr. REIFEL. Mr. Chairman, I rise in support of H.R. 8195 to extend the Mexican farm labor program for an additional year.

The extreme importance of this program to our Nation's farmers, particularly the small farmer, was brought home forcefully to me recently when a major sugar processing company was forced to abandon its plans for construction in 1965 of a multimillion-dollar sugar factory to serve parts of South Dakota, Nebraska, and Iowa.

One of the key reasons given for that decision to delay factory construction was the absence of a stable bracero program to provide the workers needed for thinning, topping, and weeding of sugar beets.

Thus it is that a vote for extension of this program is a vote for expansion of the domestic sugar industry to meet the growing sugar needs of this country and to make us less dependent on unstable foreign governments and world crop conditions for our supply.

In my State, the availability of migratory farm labor is keenly affected by the number of braceros which are brought into California and the Southwest. That supply of workers enables the domestic migratory workers from that area to come up to our part of the country to work on the sugarbeet crop.

Because of the seasonal nature of these farm labor needs, which often occur simultaneously in various sections of the country, there simply are not enough laborers, willing to do this type of work, to met the needs of farm employers in all areas.

A vote for this program is one for new sugar factories and new jobs not only for the people employed in those factories and related industries but also for the domestic farm laborer, whose opportunities for seasonal-type work of this nature are increased.

At the same time it is a vote for lower sugar prices for the housewives and consumers by helping us to develop our own stable and adequate sugar supply.

It is a vote for the small farmer who is seeking to meet his economic problems by shifting from historic cropping patterns which produce surpluses into new specialty crops such as vegetables and sugarbeets. To make the investments required for this type of production, he must be assured of an adequate and stable labor force to do the arduous stoop labor that too few domestic laborers are willing to do.

Because of the intensified nature of this type of nonsurplus crop production, it usually must be accompanied by irrigation. Most of these small farmers are unable to mechanize like the big corporate farmer and, therefore, must go on relying on the services performed by migratory laborers.

A vote for extension of this program is a vote against the illegal entry into this country of wetbacks and their exploitation. It is these wetbacks who are the true victims of deplorable labor conditions. At the same time, domestic workers are unable to compete satisfactorily with wetbacks who do not have the protections built into Public Law 78.

It is a vote against imposing a minimum wage for domestic farm laborers employed by the struggling small farmer who already is beset by numerous imponderable, seasonal, and economic factors which make such a proposition totally impractical.

In short, our consideration of this bill today and in the past has dwelt too much upon the needs of the domestic farm laborer and too little upon the needs of the American farmer. For without the farmer, particularly the small farmer, there would be no work at all for the migratory laborer, foreign or domestic.

The committee has reported out a bill which embodies the only course open to us for this year and that is a simple 1-year extension of the act. I hope the House will go along with the committee's recommendations.

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, I rise in support of the legislation. I think all points have been thoroughly discussed and there is very little that could be added. I would like to point out that those of us who live on the farm know how difficult it is to get farm help. I am fully convinced in certain areas where these crops are harvested and large numbers of persons are necessary, this program is needed. I think it was well pointed out by the gentleman from California [Mr. Moss], this is not an argument as to whether it be 60 cents, $1, or $2, but the point is, Is help available? It is not. If help were available, I think we would be perfectly willing to terminate this program.

Mr. Chairman, I wish to add my support to this program at this time.

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. TALCOTT].

Mr. TALCOTT. Mr. Chairman, I wish I could tell you honestly that Public Law 78 is perfect. I cannot. I do not. But I can say quite accurately that it is the best law yet devised to deal with one of the most difficult socioeconomic problems in the United States.

Many arguments can be made in support of the bracero program. Every person involved benefits. The program has worked effectively; it has improved, while diminishing in scope, each year.

I believe I have some credentials which entitle me to speak briefly. I represent every group who purports to be involved—church people of every faith who work with the migrants and the braceros; union leaders and members of every craft; farmers, businessmen in allied industries, domestics, braceros, and consumers. I was a county supervisor for many years and worked with school administrators, city and county officials, law enforcement and housing officers. I have worked intimately with the domestic migrant family. My district includes the famous "Salad Bowl of the World." On less than 1 percent of the agricultural land in California, we raise one-fourth of the head lettuce produced in the United States, one-fourth of the strawberries, 95 percent of the artichokes, one-fifth of the celery, one-fifth of the broccoli; the largest beet sugar manufacturing plant in the world is in my district. For years farm workers have migrated to the Salinas Valley. Since 1870 supplemental labor has been important during peak harvest seasons.

I wish every Member of Congress could live for a short time in a rural farm community, upon which each of you depends daily for your sustenance. If you lived there, or could visit there even shortly, you would approve the bracero program.

I know it is easy to say "I will not vote for the importation of a single foreign laborer so long as there is one unemployed man on my street." I would not either. But do not submit to this argument. It does not comport with the facts. There are no unemployed people—men or women—who want to work in farm areas when a bracero is there. If domestics want work, there are no braceros; the farmers do not want them; the law does not permit them; the law prohibits them.

The unemployed in New York City and Boston will not migrate to the farms of California. Presently stoop labor and the braceros earn an average of $1.40 an hour, and can earn more. We pay the highest wages; no area has better working or living conditions or a longer working season. Persons with these limited skills cannot earn as much in any other industry. If there was, in fact, any domestic labor available, they would come to my district.

I do not say domestics will not do the stoop farmwork. We have some 1,500 local farmworkers which enjoy year-round employment—at stoop labor. Some 1,500 migrant workers are working in the area now—at stoop labor. But this is not enough. At peak harvesttime there are 12,000 braceros in my district—4 times the number of domestics. This may seem like a large number, but our production is enormous. Early this month we shipped from the Salinas Valley our 1 millionth railroad carload of lettuce. This would fill a train over 7,500 miles long—almost three times across the country. This did not include lettuce shipped by truck. About 40 percent of our lettuce is now shipped by truck. This is only lettuce, not other vegetable products. I am certain it is difficult, sitting here, to imagine the enormity of this production. Production like this requires a lot of manpower, mostly during a few months of the peak harvest season. It is mostly all hand, stoop labor.

We cannot postpone or change the harvesttime. Many of our crops ripen within hours. They are all perishable within days, and 80 percent is shipped to the east coast.

Our harvest season comes at a time when most other employment is also at a peak—the summer; when the tourist season is at its height; when motels and restaurants are operating at near capacity; when the recreation, fishing, forestry, and vacation industries are most active; when the building, manufacturing, and construction businesses are at a peak; when transportation by train, bus, and truck is greatest.

Stoop labor skills are among the lowest. If a working man can get a higher skilled job in another industry or in some other phase of farming, he will not do the stoop labor. The enormous demands for farm labor at the very time when competitive employment is highest explains, in part, why it is impossible for us to obtain a reliable supply of stoop labor during our peak harvest season. If you think about our problem, if you put yourself in our place, you will understand.

I want to mention two aspects of this problem which are seldom considered. Other speakers will discuss other reasons for extending the bracero program which are even more compelling. Housing and schooling are problems of the migrant and the rural community. These do not affect the farmer or the allied industries or the consumer directly. But if the 12,000 braceros in my area are eliminated, we will need 12,000 more family homes almost immediately; this would double our present housing; and they would be occupied only 3 or 4 months of each year. How could we, or any community in the world, double our housing in less than 6 months? Even if we had the materials and the financing, we could not get 1,000 units ready for next spring. Is there any builder or financier in America—including the Federal Government—who would build 12,000 family units which would be occupied only 3 to 4 months of the year? We all know there is not—but you are forcing my district, and other districts, to do exactly this—or go out of business. If you lived in my district, or were ever in the housebuilding business, you would understand our housing predicament.

Consider briefly the school situation. If the 12,000 braceros are eliminated, 12,000 families must migrate to our area for 2 to 3 months of the school year. This would mean at least 20,000 additional schoolchildren. This would more than double our school enrollment for less than one-fourth of the school year. Is there a city in all of America, including New York, Chicago, or Boston, that can accommodate 20,000 new students next year, provide the new schoolrooms, the new teachers and facilities, for 3 months, and then let the extra rooms and facilities stand vacant for the balance of the school year? Is there any school system in any congressional district that can double its school enrollment 6 months from today?

Even if we could suddenly solve the physical and financial problems, there is a more serious difficulty. When the migrants come to a community, they completely disrupt the whole school system. The kids have different backgrounds, levels of accomplishment, textbooks, teachers, and systems. Any teacher will tell you that four or five new students in a class is disruptive. Imagine how disruptive it would be for a school to be doubled next April—2 months before graduation. The pathetic migrant children get little or no education. The local children suffer irreparably.

Then, when our harvests are over, the migrant family moves on to disrupt another school system for a couple of months; and then on to another. Can you imagine how terrible this is for teachers, the local students, the migrant students? We simply cheat them of their education—their most valuable asset.

This, of course, is no fault of the innocent children. This nomadic, migrant, farm labor system is simply un-American. We should not glamorize it, we should not enlarge it, we should not perpetuate it.

We are not asking for Federal aid—we only ask you to understand our problem.

Someday we will work this out. We have solved other problems. But to ask us to solve a work force problem which suddenly multiplies 6 to 10 times for only a few months of the year is asking more than has ever been asked of any community in the history of our country.

Imagine what Detroit, for instance, would do if the work force there was only quadrupled for a period of 3 or 4 months of the year. No one here can even imagine the chaos, but you will force twice as difficult a situation on my little community next April if Public Law 78 is not extended.

We have imported supplemental labor since 1870. We have used every device ever suggested for reducing this importation and we have made much headway. We supply the whole United States with much of their salad vegetables and strawberries. We provide more than 400,000 jobs throughout the United States each year. A sudden termination of Public Law 78 would cause unbelievable chaos in rural America and would adversely affect every person in America.

We are asking nothing from anyone other than the opportunity to import willing labor during the peak harvest season when no local labor is available.

All I ask is that you try to understand our predicament. If you understand, I believe you can vote "yes" on this bill.

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. HORTON].

Mr. HORTON. Mr. Chairman, several months ago when this legislation was up I opposed it. I continued to oppose the legislation. I feel there has been ample time for this program to be

terminated. I feel it should be terminated as of the end of this year.

Mr. Chairman, I wish to offer a brief comment on the vote I intend to cast on final passage of H.R. 8195, a bill to extend for 1 year the Mexican farm labor importation program or Public Law 78.

All of us will recall the House already has worked its will on this legislation. On May 29, 1963, a rollcall vote clearly indicated that a majority of the House favored discontinuing this program. I joined my colleagues who opposed the measure on that occasion and shall do so today.

I have studied this entire matter very closely. I have made a critical examination of the bill now before us in comparison with the bill defeated earlier this year. Frankly, the only distinction I can find between H.R. 8195 and H.R. 5497 is that the instant bill would extend Public Law 78 for 1 year, while the earlier bill would have extended it for 2 years. In view of my objections to the substance of the program, which I stated publicly when the earlier bill was being debated, this difference in term makes no material difference.

Mr. Chairman, I find extension of the bracero importation program deficient on two grounds: economics and morals. Together, these two factors argue favorably for the expiration of Public Law 78 at the end of this year.

Without question, the most serious domestic danger we face is unemployment. Today, more than 4 million American men and women are suffering the indignity of being jobless. Therefore, with 5.6 percent of our labor force currently unemployed, I find it inconceivable that the Government should not only encourage but also subsidize an actual depressant to our own labor market.

The figures I have cited are for the total labor force in the Nation; the rural unemployment situation is even worse. Sharply increasing mechanization in agriculture constantly reduces farm employment. In this decade alone, 1 million family and hired farm labor jobs will disappear.

Beyond the labor force impact, the bracero program is economically prejudicial to the more than 99 percent of American growers who must market their produce in competition with that grown on the huge, corporate-type farms which use Mexican labor. The family farm—the root system of American agriculture—is being hurt by Public Law 78.

Mr. Chairman, I believe a careful reading of all the facts pertinent to the Mexican farm labor program leads to one inescapable conclusion: that Public Law 78 in the early 1950's served the very useful purpose of meeting an acute farm labor shortage resulting from the Korean war, but that the situation is now reversed and the measure should be allowed to expire.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, I want to say to my friend from Rhode Island that this is not by any stretch of the imagination or torture of language a slave-labor bill. I want to compliment the gentleman from New York for the very light statement he read here as an example of some insidious form of lobbying. I read in the paper this morning that this is a bill that was supposed to have been lobbied at great length. Apparently my vote is not desired. I have not been lobbied at great length either for or against the legislation. I do not regard the legitimate communications from the people I represent as lobbying in any sense of the word. And I wanted to say to the gentleman from Rhode Island who dwelt here on the use of this labor in cotton that cotton is one of the smallest users of the migrant worker in California; that the great majority of the workers are engaged in the harvesting or working on crops of tomatoes, lemons, oranges, asparagus, lettuce, and other truck crops. They are the crops that are not supported. They are the specialty crops and they are paying in the great majority of instances wage levels in excess of the national minimums prescribed for industrial employment.

I yield to no man in this Chamber in my concern for the welfare of the American worker. I challenge any Member of this body to demonstrate a voting record during my 11 years of service that is superior to mine in concern for their welfare. I am not speaking now as the Representative of a large agricultural district. Most of my agriculture was taken away in reapportionment effective January 3 of this year. But I would not be honest with myself if I came here and told you that now, released of the burden of representing agriculture in any large volume, that my conscience would accord with failing to continue support of this program when I have seen abundant evidence of the inability of my people to recruit domestic labor to do this work which is so essential.

The failure to continue this program at this point will create a serious economic impact upon the people I represent here. It would not benefit in any measure the undersupply of domestic workers.

Mr. HOEVEN. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman and Members of the Committee, I happen to be one of the apparently numerous Members of this House who was not extensively lobbied on this bill, even though I happen to be a member of the Committee on Agriculture, the committee which passed this bill out to the floor of the House for consideration.

Mr. Chairman, I have had a few letters on both sides of this question, but no one has called on me. I have no personal interest in this bill. We do not use one single bracero in North Dakota although the Red River Valley of North Dakota and Minnesota is one of the largest sugarbeet-producing areas in the United States.

Mr. Chairman, this is perhaps a point to consider as we consider this bill. Why do we no longer use braceros in the Red River Valley? We do not use them because the area is almost completely mechanized in the beetfields and in the potato fields. We raise potatoes in the Red River Valley of North Dakota that are planted, harvested, stored, and marketed without ever being touched by human hands. This is the thing that is coming, this is the thing that is going to eliminate the need for the bracero program, and eventually most or all of the hand farm labor used in the United States.

I think we might then ask ourselves what is going to become of some of the people who need jobs in some areas of possible unemployment in the United States. The gentleman from Arizona [Mr. RHODES] pointed up one thing which I think is surely going to happen, beyond any question of a doubt. That is the exportation of the production of some of these specialty crops that are grown in some of the States and areas where most of this bracero labor is used. The capacity to produce the specialty crops where most hand labor is now used is great in Mexico and other Central American countries. If we make it impossible to produce these crops in the United States we will find the market supplied by imports and we are importing too many agricultural products now, including beef.

Mr. Chairman, I support this legislation and urge its adoption.

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DON H. CLAUSEN].

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of this legislation and I want to join my colleagues who support this legislation.

Mr. Chairman, I do not think there is anything I could add to what has already been said. However, I would like to answer the remark made earlier about our bringing Chinese, Japanese, and Mexicans into California.

Mr. Chairman, in the congressional district which I have the honor to represent I have some of the finest people, Japanese, mind you, who got their start as a result of coming into our area as agricultural workers. This also took place with reference to the Danes, the Germans, the Swiss, the Italians, the Portuguese and many other nationalities who are among the most successful farmers of our State.

Also, I might say from the international point of view—I have worked in Mexico with a program where we use aircraft to fly people into remote areas to show these people how to better serve and improve their agricultural needs. I can think of no better way to promote a private peace corps that has the opportunity of providing the self-help educational potential of this program—in addition to serving a pressing domestic problem.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. OLSON].

Mr. OLSON of Minnesota. Mr. Chairman, the Committee today is debating a measure the substance of which is identical to that which this House rejected last May. The arguments pro and con in respect to the extension of Public Law 78 remain basically unchanged. The zeal with which the proponents of this legislation are urging extension is, of course, clearly recognized. However, I do not believe that zeal alone is sufficient basis to

come before this Congress and ask that we overturn our earlier decision of last spring. I should like to point out that not one new piece of evidence has been presented by the proponents of this legislation for consideration by this Congress. On the other hand, the arguments, on which the plea for defeat of this legislation is based, are as valid today as they were at the time of its earlier defeat.

I checked with the Department of Labor just yesterday to receive the most current figures relating to our unemployment problem. Those unemployed classified as unskilled presently number 457,000. In addition, we have underemployment plaguing our rural areas in the number of 313,000. If we should at this time pass legislation which would permit the continuation of the importation of nearly 200,000 unskilled agricultural workers, our Congress would be on record as choosing to disregard one of the major domestic problems of our time. Of course the argument, Mr. Chairman, presented in reply to these statistics is that these unskilled and underemployed do not all live in areas where strawberries, tomatoes, and other crops employing braceros are raised. To this I can only say, neither do the braceros live in these areas, they must be not only imported but also transported.

I respectfully submit that we are faced with the same situation today that we were confronted with on our earlier deliberations on this subject. Because of the absence of any new evidence to the contrary, I would suggest to the Members of this Congress that it is consistent with the objectives of our previous debate and decision to reject the extension of this legislation again this afternoon.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, when this bill was before us earlier this year I supported it because of what I deemed to be the best interests of my district. I pointed out then that Oregon's migratory labor legislation is among the best in the Nation. I pointed out that only a few braceros are still used in Oregon but that many hundreds of jobs—American jobs—in my district are dependent on getting the fruit harvested. I pointed out that growers in my district hire every American who comes down the pike, that they carry out an intensive recruitment program, and that wages are high, if not by an industrial standard, certainly by an agricultural standard.

For these same reasons I intend to support this bill again this time. I submit that the question has never been: Do we have unemployed Americans? The question is can we get the labor in the right place at the right time. In my district the answer has been "No."

Nor does the question turn on the fact that only 1 percent of the farmers use braceros. The farmers who need the labor most are the growers of fruit, nuts, and vegetables. This group comprises 2½ percent of the American farmers, and many of the 1½ percent who do not use braceros have access to workers from Jamaica, the Bahamas, and Canada under the general immigration law. Further, some 0.7 percent of the farms produce some 80 percent of our vegetables and some 65 percent of our fruit and nuts. These are the ones who need the labor at the right time at the right place.

I do not pretend that there are not problems, and serious problems, with this program. I want these jobs to go to Americans and I want the working conditions and wages improved so that those who labor for wages to produce these crops get a fair return under decent conditions.

And I know that the days of this program are numbered. I know that the growers will not have this program to lean on much longer. They will have to find an alternative supply of labor either by themselves—as I would prefer—or by themselves with the help of Government. The Williams bills are opposed by the growers. They then have the obligation of offering an alternative.

One such has been advanced by Mr. Howard Fujii of Oregon. He urges development of a farmer owned and controlled organization to recruit and place workers, to develop personnel records and training programs and to place special emphasis on employee relations so as to develop decent wages, tenure, continuity of employment, workman's compensation and other fringe benefits.

He acknowledges that farmers have dragged their feet on any such self-help program—that they have been content to get by and have been unwilling to invest their own money.

I say to them that the program is dying—that the farmers must either do the job themselves or the Government will come to the Williams bills or something like them. I hope—as Mr. Fujii does—that they will do the job themselves. I urge you to give them a year in which to do so.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, my State of Arkansas has used quite a number of braceros in the past. I have some figures here I would like to read into the RECORD.

In 1961 Arkansas used 26,849 bracero laborers; in 1962 only 8,859 were used. In 1963, up to October 20, only 5,806 braceros worked in the State.

I call attention also to the fact that mechanical harvesting is increasing rapidly in the three principal cotton-growing States that had been using bracero labor.

In the State of Arkansas in 1958 only 22 percent of our cotton was harvested mechanically. In 1961 that had jumped up to 51 percent. In 1962, 68 percent of our cotton was harvested by machine.

In the State of New Mexico 39 percent was harvested mechanically in 1958, 73 percent in 1961, and 91 percent in 1962. That is the reason why in the State of New Mexico and the State of Arkansas they have not used or needed as many braceros.

But let us look at Texas. In 1958, 35 percent of their cotton was harvested mechanically, in 1961, 64 percent, and in 1962, 78 percent was harvested by machine.

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

Mr. GATHINGS. I yield to the gentleman from New York.

Mr. ROSENTHAL. I want to compliment my colleague from Arkansas on showing statistically how there has been a drastic reduction in the number of braceros used, but why, when the gentleman testified before the Committee on Rules, did he say he wanted to make this a permanent program?

Mr. GATHINGS. I will be glad to answer the gentleman. It was because I had introduced legislation in the past to make this legislation permanent. I had introduced such bills on two different occasions. That is the reason for my statement. This is a great program and should provide labor in the crops and in the areas where it is needed. It may be phased out, but in any event the legislation is badly needed at this time since there are no machines available that can harvest tomatoes, cucumbers, strawberries, green beans, celery, and various other food crops including all types of citrus. Stoop labor is required to do the work.

Public Law 78, the bracero program, builds good will with our friend and neighbor to the south of us. These workers flock to the border for the privilege and opportunity of coming here where they can earn many times the wage rate paid in their own country. They enjoy the work on America's farms and want to return from year to year.

Emil Zubryn wrote an article from Mexico City on the date of June 1, which appeared in the daily CONGRESSIONAL RECORD of July 18, 1963, on page A4514, and stated in part as follows:

> Mexico, however, will have some adverse effects if the bracero program is definitely ended. Officials estimate that around $35 million was earned by braceros last year, with an average of around this in the past 3 years.
>
> It could also create employment problems. There is already talk of creating regional labor banks to siphon off excess Mexican farm labor into needed areas, or into industry.
>
> As for the bracero himself, he was stunned by the news and by the loss of an opportunity to work in the United States from 6 weeks to 3 or 4 months.
>
> Many take the attitude that "nobody gives us work here and in rural areas the best lands are for influential well financed farmers or for the favored few who have political backing."
>
> The problem is aggravated further by the fact that in Mexico firms are hesitant to hire anyone over 35 years of age. Many braceros are in the 40-to-50 age group.
>
> Some political leaders view the entire situation with alarm, feel that it could lead to trouble in agricultural communities.
>
> In general, the hope is that American authorities will reconsider and that the bracero agreement will be extended for at least 2 additional years.

Another article by Emil Zubyrn, which was written in Mexico City on June 8 and reproduced in the daily CONGRESSIONAL RECORD of July 15, 1963, on page A4394, concluded, as follows:

> Secretary Tello added that "agreements for the contracting of rural migrant labor has always been a satisfactory arrangement for both nations."

"I want to make one point very clear," he said, "and that is this: should the ban prove official, both Mexico and the United States will have to join forces in a coordinated effort to avoid illegal movement of braceros north of the border. And I believe that the principal responsibility should lie with the United States."

There is no doubt that if Public Law 78 is not extended wetbacks will flow across the border in such numbers that immigration officials could not control the movement. The farmers in the Valley area of Texas, along the border in New Mexico, Arizona, and lower California would obtain labor that would be denied farmers who operate in the sugar-beet areas of Colorado or the pickle sections of Michigan, as well as the strawberry harvest in Arkansas. Also the citrus and vegetable growers of middle California would not be privileged to obtain these wetbacks to aid in agricultural harvesting.

David Weber, writing in the Dallas Morning News of June 13, the article appearing in the daily CONGRESSIONAL RECORD on June 26, 1963, on page A4066, winds up his article as follows:

"I was up in Texas for 3 months last year," said Indalecio Morquecho, "and made $450. When I got home I invested part of the money here and there and this is what kept us going mostly." Morquecho, 33, has four children. Between bracero trips, he finds occasional work as a relief driver on a city bus. The pay is $1.40 a day. "This doesn't quite cover the rent, but it is something. It has kept me busy until the hiring started again." * * *

For this reason, every day is a heartbreaking repetition of unopened doors and unsigned contract papers for literally thousands of experienced braceros who patiently gather in the shady plaza before the old Cuidadela hiring center in Mexico City. They show up every morning and press in as close as they can to the peeling gray doors which open from time to time to admit a trickle of applicants. Blue-helmeted police grenadiers armed with clubs and tear-gas guns keep pushing them back, but as soon as the guard relaxes they push forward again hopefully. All day they wait, until at last they see the officials come out and get in their cars and drive home. The hopeful braceros drift off then, but the next morning they are back again.

"What else can we do?" asked Salvador Perez Carmona, a weathered man who has spent the last 5 summers in either Texas or California. "It's too late for most of us to learn a new trade. Farming is our work, but there's no work for us now. Not even up there, on the other side."

It has been urged by opponents of the extension of Public Law 78 that if our local labor were paid more money for agricultural work, that adequate labor would be available, obviating the necessity of bringing in supplementary labor from Mexico. A most revealing letter and attachments were received by the gentleman from Texas, Representative JOE KILGORE, written by the Wallace Fruit & Vegetable Co., on June 2, 1963, and reproduced in full in the second set of hearings on the extension of Mexican farm labor on August 21, starting on page 25 and running through page 27. The substance of the information was to the effect that Mr. Wallace was putting forth every possible effort to harvest 500 acres of cantaloups. He visited the office of Bob Sanchez, an attorney who represented the Spanish-speaking people in that area. Mr. Sanchez worked up a contract calling for a fair wage of 75 cents per hour, with an additional guarantee of 25 cents an hour for every hour worked "provided the worker would stay until the cantaloup harvest was completed." Under this arrangement the wage rate was much higher than the going wage rate in the area, and it was felt that the domestic worker would take advantage of it. An all-out advertising campaign was started with 200 spots in Spanish over the radio, and 10,000 posters in Spanish distributed, telling the story of the great need for workers and the wage rate that was offered. The project turned out to be a failure, and was most disappointing to both the Wallace Fruit & Vegetable Co., as well as Mr. Sanchez. Mr. Wallace's letter to the gentleman from Texas, Representative KILGORE, concluded as follows:

It was hard for us to believe that the labor would not work and respond to this opportunity. But they did not, and would not.

It is now evident and conclusive, based on actual facts, that we cannot grow or harvest these cantaloups without bracero labor.

A press release of the Council of California Growers from Stockton, Calif., was placed in the daily CONGRESSIONAL RECORD by the Honorable CHARLES S. GUBSER on August 6, 1963, and appeared on page A5011, revealing the impact upon the economy of the area where such a large portion of tomatoes for canning is grown. The article states that the tomato industry meant $88 million in crops to the farmers, $5.5 million to the seed industry, $4 million to tractor fuel and machinery repair services, $3.5 million in fertilizers, $70 million in metal cans, $11 million for glass containers, $12 million for boxes and cartons, $6 million for printed labels, $1.8 million for handling, $32 million for shipping, and $45 million for the salaries of the 50,000 cannery workers.

The program is for supplemental labor for only a short period of time where peak labor is required for thinning, weeding, and harvesting. It has worked well and has resulted in providing the housewife with an adequate food supply at reasonable prices. If there is no bracero labor, the farmers who now are growing the fresh fruits and vegetables will do one of three things. They will reduce their plantings; they will plant about the same acreage and the foods will deteriorate since there will be an inadequate supply of labor to harvest them; or they would move their operations outside of the country.

The bill should be passed to extend the law as the legislation is badly needed.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman, the gentleman from New York City did an excellent job of injecting a little humor into this argument. I want to tell the story about the man who was bringing a visitor to his house, and when he got there he found his wife up a tree and a wildcat at the bottom. He wanted the stranger to help her, but he said, "That is the kind of fight I don't want to get into." This is the position of those of us who seek to fairly represent the interests of both labor and farmer-employers.

If the gentleman from New York thinks he has been lobbied presently, he may be really lobbied greatly if this program is allowed to expire at the end of this year. If the price of lettuce and tomatoes goes up three times he might be hearing from irate housewives in New York City, and no one is a better lobbyist than an irate housewife.

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

Mr. HAGEN of California. I yield to the gentleman from New York.

Mr. ROSENTHAL. The fact of the matter is that farm labor represents 4 percent of the cost of goods to the housewife, and if we gave a 100-percent increase in wages it would be only a 1-cent increase in the price of a 2-pound can of tomatoes. In my opinion, that is a fictitious argument.

Mr. HAGEN of California. I am sure that a major part of the costs of these bracero-harvested products are added by the wholesalers in New York City, and the people who actually engage in retail sales. This is a bill not for the benefit of a few farmers, it is for the consuming public and the many people who work outside of agriculture in handling these goods. We do not support this program in California because we are illiberal, we support this program because we feel that at the moment it is a matter of necessity and it is only on that basis that we support it in the interest of our farmers, consumers, and industries based on use of farm-produced raw materials. All we are asking is a 1-year extension to the Secretary of Labor of authority to conduct the kind and scope of program he thinks the circumstances require. We are giving him a license to conduct a program. Mr. Wirtz, the Secretary of Labor, is not antilabor. He is not going to conduct the kind of program which would be used to depress the wages of American workers or that would be used to displace American workers from their jobs. All we ask of you, and we ask it sincerely and not from an antilabor position, is that you give the Secretary of Labor authority to conduct a fair and equitable kind of program, which we hope won't be necessary after the year 1964. I might conclude by saying that the Secretary of Labor has endorsed a 1-year extension of the bracero program.

Mr. Chairman, I yield back the balance of my time.

Mr. DENT. Mr. Chairman, there are many reasons, some old, some new, to continue my opposition to this legislation. The most compelling reason is spelled out in simple language, "We need jobs, jobs in every field of endeavor."

This Nation has a chronic unemployment problem. Try as we will we cannot keep the rug over the sad record of our employment and economic ills of the last decade.

However my most compelling reason is one that treats foreign labor exactly as I treat the threat from the goods produced by foreign labor and sold in our domestic market.

Although many proponents of free trade do not see the situation in this light, that, in my opinion, does not alter the facts.

I am pleased to note for the record that the following letters opposed to the legislation have been addressed to me by leaders in the labor movement who have not yet come to the realization that there is no difference between the two imports, labor or labor's products, in job competition.

Someday, when the sun finally breaks through the black clouds of propaganda, political expediency, misguided intentions, and plain economic ignorance, all America will awaken to the dangers in our trade policies and practices.

The record should contain the statements as I received them from the men charged with the responsibility of keeping the path of labor cleared of the obstacles of greed, prejudice, and poverty.

Mr. Chairman, I attach correspondence on this issue and my response to same:

INDUSTRIAL UNION DEPARTMENT,
Washington, D.C., October 18, 1963.

DEAR CONGRESSMAN: I am writing to you on behalf of the Industrial Union Department, AFL–CIO, to ask you to vote against H.R. 8195 which would extend the Mexican contract labor program for another year to December 30, 1964.

We are grateful to you for your vote against a 2-year extension of this program last May 29. We are convinced that your vote was in the public interest.

The only difference in H.R. 5497 which was voted down in May and the pending measure is that the latter extends the program for a shorter period of time, but this difference is made largely meaningless by the expressed intention of its primary supporters to demand a further extension next year. This plan was stated clearly by Representative GATHINGS during the hearings before the Rules Committee last week.

We are unequivocally opposed to the extension of this program for any period of time and we urge you to vote against any extension.

To the extent that there is an apparent need for American contract foreign labor in agriculture, it is the result of the availability of this un-American crutch for the last 12 years and the resulting effects on farming and farm labor. We have urged and will continue to urge the enactment of legislation for an improved domestic recruitment program as set forth, for example, in H.R. 4518, but the same political and economic groups which have fought for a subsidized labor force for commercial agriculture have strongly opposed rationalization of the domestic program.

The pending bill, H.R. 8195, does not even contain the weak amendment attached by the Senate in an effort to reduce adverse effects on our domestic farm workers, an omission which supports our earlier statement that "no decent domestic recruitment program can be enacted until this contract labor tranquilizer has been withdrawn from its beneficiaries."

Thanks again for your earlier vote.

Sincerely,

WALTER P. REUTHER,
President.

OCTOBER 25, 1963.

WALTER P. REUTHER,
Industrial Union Department,
Washington, D.C.

DEAR WALTER: Thank you kindly for your note on H.R. 8195.

I am still standing pat on imports, products, or people. I see no difference in any instance if it hurts my people.

With the kindest of personal regards, I am,

Sincerely yours,

JOHN H. DENT,
Member of Congress.

HARRISBURG, PA.,
October 29, 1963.

Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.:

We respectfully urge you oppose H.R. 8195 which is designed to extend Public Law 78 providing for Mexican farm labor importation program. With unemployment situation what it is in this country efforts should be made to put these people to work rather than continue this method of importing workers. An adequate supply of American workers is available and if wages must go up to attract these workers that should happen and this should not greatly affect prices since less than 12 percent of total farm production costs and less than 5 percent of total consumer prices are labor costs. Especially is this essential since I undertand less than 1 percent of U.S. farms now use Mexican farm labor and these farms should no longer be afforded this privilege of using imported labor to depress wages and severely limit job opportunities for this country's unemployed.

HARRY BOYER,
President,
Pennsylvania AFL–CIO.

OCTOBER 30, 1963.

Mr. HARRY BOYER,
AFL–CIO,
Harrisburg, Pa.

DEAR HARRY: Thank you for your telegram on H.R. 8195. As I am sure you know, I am against importation of foreign labor just as much as I am importation of foreign goods. They both put our people out of business.

With the kindest of personal regards, I am,

Sincerely yours,

JOHN H. DENT,
Member of Congress.

AFL–CIO,
Washington, D.C., October 17, 1963.

Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.

DEAR JOHN: H.R. 8195, a bill to extend for 1 year the Mexican farm labor import program under Public Law 78, is expected to come up soon for floor action in the House of Representatives. The Public Law 78 program takes jobs away from American workers and lowers wage standards and working conditions for American workers.

On May 29 of this year the House of Representatives rejected a proposal to continue for 2 years the temporary, wartime Public Law 78 program enacted in 1951. The AFL–CIO opposed the 2-year extension and we now oppose the 1-year extension for the same reasons. Sharply rising mechanization of agriculture is increasing unemployment among American farm workers. To import low-wage Mexican farm workers—195,000 in 1962—when millions of American workers are jobless is simply unconscionable.

The fact that H.R. 8195 provides only a 1-year extension does not mean that the supporters of Public Law 78 will be satisfied with that. During the Rules Committee hearings on H.R. 8195, Congressman E. C. GATHINGS, chairman of the House Agriculture Subcommittee handling Public Law 78 bills and chief House proponent of this legislation, was asked whether he would bring up another Mexican farm labor extension bill next year if this one passed. He answered flatly that he hoped so.

H.R. 8195 would provide the sixth extension for Public Law 78. If there ever was a valid reason for the importation of farm workers, it certainly does not exist today. Less than 1 percent of American growers use imported workers. They are cushioned against a rise in wages because they are allowed to get cheap, docile bracero labor from Mexico.

There is also no validity to the argument that consumer prices will rise if Public Law 78 is ended. The fact is that farm labor costs account for less than one-twentieth of the consumer prices of farm goods.

The AFL–CIO continues to oppose any extension of the Public Law 78 program, which injures American workers. Therefore, we urge you to vote against H.R. 8195.

Sincerely yours,

ANDREW J. BIEMILLER,
Director,
Department of Legislation.

OCTOBER 22, 1963.

Mr. ANDREW J. BIEMILLER,
Washington, D.C.

DEAR ANDY: Happy to continue to support Labor's position on Mexican labor. You remember me—I'm still fighting imports of foreign labor or products made by foreign labor.

With the kindest of personal regards, I am,

Sincerely yours,

JOHN H. DENT,
Member of Congress.

AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF NORTH AMERICA,
Chicago, Ill., October 18, 1963.

Hon. JOHN H. DENT,
Member of Congress
U.S. House of Representatives,
Washington, D.C.

DEAR MR. DENT: A bill which would keep wages low and cause increased unemployment among the most poverty-stricken workers of our Nation—a bill which has been rejected by the House previously this year—is unfortunately coming up again for debate and a vote. The measure concerns a continuation of the Mexican farm labor importation program. It is H.R. 8195.

With this program, also known as Public Law 78, growers need not raise wages if the low rates they offer fail to attract sufficient U.S. workers. They simply tell the Government that they cannot get workers and Mexican workers are imported. Public Law 78 thereby makes a mockery of our competitive free enterprise system. It depends upon the huge supply of extremely poverty-stricken workers in Mexico to create increased poverty in the United States.

While agriculture is becoming more and more mechanized, while U.S. farmworkers suffer increasing unemployment, hundreds of thousands of Mexican farmworkers are imported into the United States to take badly needed jobs each year. The growers complain about the competition of Mexican strawberries and want them kept out, but they want Mexican workers to take jobs away from U.S. workers.

Less than 1 percent of U.S. farms use the bracero program, but they are generally the large, corporate-type farms, so that literally hundreds of thousands of jobs are involved. The Federal Government subsidizes these growers by paying $1,262,000 this year alone for the enforcement of Public Law 78. What is more the $15 fee which the growers pay to get the Mexican workers is now inadequate to cover the Labor Department's costs of transporting and feeding the workers in transit. Finally, some of the crops which the Mexican workers till are subsidized.

We strongly urge you to vote against H.R. 8195. The Mexican farm labor importation law, which was enacted in 1951 as a "temporary wartime program" should be ended once and for all.

Very truly yours,

PATRICK E. GORMAN,
Secretary-Treasurer.

OCTOBER 22, 1963.

DEAR PATRICK: Of course I'll vote against the Mexican import bill. Remember me

Harry? I am against all cheap imports whether they be cheap labor or cheap goods. They both take American jobs.

I see no difference between importing a Mexican worker or importing what he produces. In either case we lose jobs and wage levels. I am against both.

With every kind regard, I am,

Your friend,

JOHN H. DENT,
Member of Congress.

NATIONAL CONSUMERS LEAGUE,
Washington, D.C., May 23, 1963.

Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR MR. DENT: The National Consumers League urges you to vote against H.R. 5497, a bill to extend Public Law 78, providing for the importation of Mexican agricultural workers. These foreign workers constitute a huge supply of cheap labor used principally by the large corporate farms. As a result, the small family farm is at a great disadvantage, and American farmworkers have been deprived of jobs and have had their earnings depressed.

The detrimental effects of this labor importation on our domestic farmworkers have been increasingly apparent. In the face of continually increasing unemployment and underemployment of our domestic farmworkers, it is imperative that the bracero program, which is used by only 5 percent of American farm operators, be permitted to die at the end of 1963.

Further reduction of available jobs for our domestic farmworkers continues as use of automation in farming increases. The existence of the bracero program, by practically doubling the number of workers available for the existing jobs, constitutes an economic compulsion on the most deprived segment in the American working force, to accept wages and working conditions that are guaranteed to keep them at the bottom.

The plight of the small family farmer and of our domestic migratory farmworkers requires from all sectors of our population a willingness to cooperate in plans and actions that will improve their situation. As consumers, we are willing to cooperate, even if it should mean a slight increase in the cost of farm products.

The National Consumers League has long been concerned with the conditions under which consumer goods are produced, and believes consumers have a real responsibility to work toward ending the exploitation of migratory farmworkers. The league, therefore, strongly urges you to vote against H.R. 5497.

Sincerely yours,

SARAH H. NEWMAN,
General Secretary.

JUNE 4, 1963.

Mrs. SARAH H. NEWMAN,
National Consumers League,
Washington, D.C.

DEAR MRS. NEWMAN: Of course you know how I feel about cheap imports whether they be products or persons.

I see no difference in importing a Mexican to take an American farmhand's job or to demoralize the farm wage structure than I do in importing products from cheap foreign labor that kill off our production jobs and cause our wage structure to be under heavy pressure from foreign competition. In either event, the U.S. worker loses his job. I will, of course, vote against the Mexican farm labor bill.

Thank you for your interest in this legislation.

With every kind regard, I am,

Sincerely yours,

JOHN H. DENT,
Member of Congress.

NORTHERN WESTMORELAND COUNTY, PA., UNITED LABOR COUNCIL, AFL–CIO,
New Kensington, Pa., May 20, 1963.

Hon. JOHN H. DENT,
Congressman, State of Pennsylvania, House of Representatives Office Building, Washington, D.C.

DEAR CONGRESSMAN DENT: The delegates of the Northern Westmoreland County, Pa., United Labor Council, which represents all the AFL–CIO locals in our valley, discussed the importing of fuel oil and a lot of other material from foreign countries which is causing a lot of unemployment.

Our council wholeheartedly supports you and all your colleagues in urging President Kennedy to hold the line on imports of fuel oil and the controls must be retained and they must be strengthened to protect the jobs of our people in this country.

Very truly yours,

WILLIAM SNYDER,
Recording Secretary.

MAY 22, 1963.

WILLIAM SNYDER,
Recording Secretary, Northern Westmoreland County, Pa., AFL United Labor Council, CIO.

DEAR BILL: I appreciate your note on the fuel oil imports and Mexican labor. Of course you know my stand and can assure the members that I will continue fighting against cheap imports of oil, Mexicans, glass and any other import that takes American jobs from our own people.

I have long contended that there's no difference in importing a foreign worker to take over American workers' jobs than there is in importing the products of foreign workers that displace U.S. production. In either event, the U.S. worker loses his job.

The biggest lie sold to the American people is the so-called free trade bill.

The records show that we are the suckers in the world market.

With every kind regard, I am,

Sincerely yours,

JOHN H. DENT,
Member of Congress.

NORTHERN WESTMORELAND COUNTY, PA., UNITED LABOR COUNCIL, AFL–CIO,
New Kensington, Pa., May 20, 1963.

Hon. JOHN H. DENT,
Congressman, State of Pennsylvania,
House of Representatives Office Building,
Washington, D.C.

DEAR CONGRESSMAN DENT: The Northern Westmoreland County, Pa., United Labor Council, which represents all the AFL–CIO locals in the Allegheny Valley, held a meeting on May 17, 1963, and discussed the extension of the Mexican farm labor importation program.

The delegates of our council oppose the extension of this program and urge you to stop this program and vote against H.R. 5497. We cannot see importing thousands of Mexican farmworkers when we have so many people in the United States who are unemployed.

Very truly yours,

WILLIAM SNYDER,
Recording Secretary.

NATIONAL FARMERS UNION,
Washington, D.C., June 10, 1963.

DEAR CONGRESSMAN: I wish to thank you for your recent vote opposing extension of the Mexican labor importation program. Our organization supports you in this stand and urges you to also oppose a 1-year extension of the program.

Instead, I feel this is the time, already too long delayed, for raising our own domestic farmworkers and family farmers out of poverty, at the same time giving many of our unemployed youth job opportunities.

To this end I strongly urge you to give all-out support to quick passage of the domestic farm labor recruitment bill, H.R. 4518, now in the House Education and Labor Committee. A companion bill, S. 527 will be the subject of hearings starting June 10 before the Senate Subcommittee on Migratory Labor, headed by Senator HARRISON WILLIAMS of New Jersey.

We wish to make clear our position.

First, we in Farmers Union have always felt that low income (sometimes subsidized) agricultural workers are unfair competition to family farmers and their wives and older children.

Second, we feel that farmers who are required to pay fair wages and maintain good working and living conditions should have their income from farming protected sufficiently so that they can well afford to pay good wages and maintain adequate working and living conditions.

Kindest personal regards.

Sincerely,

JAMES G. PATTON,
President.

EMERGENCY COMMITTEE TO AID FARM WORKERS, INC.,
Los Angeles, Calif., August 21, 1963.

DEAR CONGRESSMAN: Enclosed for your information are reproduced news clippings which report the views of the Mexican-American community in the Southwest on Public Law 78, the bracero program.

It should be recalled that the great majority of farmworkers in the Southwest are Mexican Americans. It is these people who harvest the crops and do the stoop labor for the agricultural industry and it is these citizens who have been hardest hit by the importation of a large captive labor force from Mexico.

Senate bill 1703 (Mexican farm labor extension) will be before the House of Representatives in the near future. You will recall that the House has already rejected a proposed renewal of Public Law 78 last May 29. A program which takes advantage of poverty in Mexico to grant special privileges to a small number of growers in a few of the States of the United States is not in the best interest of either nation.

Along with these citizens who harvest the food for our tables we strongly urge you to oppose Public Law 78 and Senate bill 1703.

Sincerely,

JOHN G. SIMMONS.

(The Mexican-American community in the Southwest opposes Public Law 78—under which Mexican nationals are imported for farmwork. Reproduced here are stories of their protest to Vice President JOHNSON during his visit to the Los Angeles Mexican-American community.)

[From the Los Angeles (Calif) Times, Aug. 5, 1963]

LATINS HERE TO PROTEST BRACERO LAW—ACTION DUE DURING VICE PRESIDENT JOHNSON'S VISIT

(By Ruben Salazar)

A committee of Mexican-American community leaders announced Sunday it will take the occasion of Vice President LYNDON JOHNSON's visit here to go on record against Public Law 78, which allows the importation of braceros.

JOHNSON, as Chairman of the President's Committee on Equal Employment Opportunity, will speak at a luncheon and conference Friday at the Statler Hilton.

The Mexican-American Education Conference Committee, composed of leaders of most of the Los Angeles area Spanish-speaking organizations, will host the affair.

OPPOSE EXTENSION

In a strongly worded resolution passed by 49 of the 50 members of the committee, the

Mexican-American leaders urge the Vice President to use his influence in defeating a proposed extension of the bracero law, which is due to expire December 31.

"Public Law 78 takes advantage of hunger and hardship in Mexico to provide for recruitment of a captive, docile, and exploitable foreign farm labor force," the resolution reads.

Twenty top Mexican-American leaders, who hope to meet with the Vice President in private to discuss Public Law 78 and other controversial issues, pushed for the resolution.

A spokesman told the Times the resolution was passed "in the hope that planned picketing of the hotel where JOHNSON will be speaking will be called off."

URGE DIGNIFIED ACTION

"The committee is in sympathy with the persons who want to picket (mostly labor-backed organizations) but we hope to discuss it with the Vice President in a dignified manner," the spokesman said.

The resolution claims the bracero program "creates a large surplus labor pool which displaces and adversely affects American farmworkers."

Braceros, the committee claims, "depress laborers' wages, aggravate severe unemployment and underemployment, and help create wretched living conditions."

LABOR SHORTAGE DENIED

Denying the contention that there are no American farmhands available to replace the braceros, the resolution says: "Most of the California farmworkers are Mexican-American. These workers can furnish all the labor needs of the California growers."

Carlos Borja, Jr., president of the Council for Mexican-American Affairs and State deputy attorney general, will be master of ceremonies at the luncheon. Mrs. Georgiana Hardy, president of the Los Angeles Board of Education, and Dr. Francisco Bravo, police commissioner, will speak at the conference.

Among the organizations forming the committee for the luncheon and conference are the Equal Opportunity Foundation, League of United Latin American Citizens, Council for Mexican-American Affairs, Community Service Organization, GI Forum, Mexican-American Political Associations, the Los Angeles Mexican Chamber of Commerce, the Welfare Planning Council, the County Commission on Human Relations, and the Mexican-American Lawyers Association.

[From the Los Angeles (Calif.) Times, Aug. 10, 1963]

JOHNSON was reluctant about discussing the controversial proposed extension of the bracero program.

Anthony P. Rios, vice president of the Los Angeles Community Service Organization, told JOHNSON that "all the 143,562 different braceros in California in 1962 were employed by only 7,694 growers—8 percent of the 99,000 farmers in California."

"Most of this 8 percent used only a few of the total number of braceros, while the largest growers used the great majority of braceros.

"There is not a shred of evidence," Rios said, "that these large operators cannot afford to pay the cost of hiring American workers. And there is incontrovertible evidence that California's underemployed and unemployed seasonal farmworkers are available to fill the jobs of braceros."

The Vice President said extension of the bracero law is up to Congress and noted that Senator CLAIR ENGLE, Democrat of California, Representatives EDWARD ROYBAL, Democrat, of Los Angeles, GEORGE BROWN, Democrat, of Monterey Park, and CHET HOLIFIELD, Democrat, of Montebello, were in the room.

JOHNSON said he and his committee would "come in force" to hear the problems of the Mexican-American community in November.

[From the Los Angeles (Calif.) Times, Aug. 11, 1963]

OPPOSE BRACEROS

The 20 leaders, members of the Mexican-American Educational Conference Committee, were hosts at a luncheon and met with the Vice President. They called for ending the bracero program as the first step in bettering Mexican-American chances.

A resolution from the committee, presented to the Vice President, said Mexican-Americans "throughout the southwest of the United States, consider (the bracero program) to be the most harmful and repressive Government-sponsored program that has ever been imposed on the Mexican-American community."

The committee claimed braceros are displacing American agricultural workers (mostly Mexican-Americans) and that "regimented importation of farm workers, is, from a moral standpoint, inhuman and cruel" and that "economic benefits to both countries would be a legitimate consideration only if it were right to treat labor as a mere commodity."

Mr. ROYBAL. Mr. Chairman, I wish to join my colleagues in expressing the strongest opposition to H.R. 8195, the proposed 1-year extension of Public Law 78.

On May 29, 1963, I voted with the majority in the House to defeat the 2-year extension proposed at that time because, among other things, I find it impossible to understand the reason for importing foreign labor to offer unfair competition to our own domestic farmworkers at a time when over 5 million fellow Americans are without jobs.

Nothing has changed since last May, except that in the 5 intervening months, increased mechanization has thrown more U.S. farmworkers out of jobs and these men and women are now available for other farm work.

So, if anything, the situation is growing worse, not better, and there is all the more reason to defeat this measure.

Public Law 78, a "temporary, wartime program" first enacted in 1951, has already been extended five times, and proponents make no secret of the fact that they intend to bring another extension bill before the House next year if this one passes.

It strikes me as somewhat of a paradox that the bracero program is supported by the large commercial farming interests in this country—the supposed repository of the rugged, individualistic, free enterprise system in America—while the bracero program, itself, represents the very antithesis of that system. For under it, if workers are not available at the grower's wage, then he simply asks the Federal Government to set up a human subsidy program to assure cheap imported labor for his peak seasons of demand.

This is bad economics and worse social policy.

Nationally, our unemployment rate stands at nearly 5.5 percent, while unemployment among farm workers exceeds 7 percent, with an additional 9.5 percent classified as underemployed.

I am convinced that the bracero program has effectively undermined domestic wages and working conditions, and greatly reduced employment opportunities for hundreds of thousands of American farmworkers.

As it is, our domestic farmworker is the lowest paid worker in the country, averaging $1,054 in 1961—the latest year for which statistics are available—and able to find work for an average of only 156 days during the entire year.

In addition, the deplorable living conditions, inadequate housing, notoriously poor health facilities, and often nonexistent educational opportunities of those American citizens who migrate to work on the farms of our country, constitute a national scandal and a serious indictment of this affluent society of ours.

It is certainly ironic that, whereas the United States has had a variety of tariffs on industrial and agricultural products throughout its history—to protect our industry and our farmers—in the case of American workers, our human products, so to speak, we not only do not have anything like a tariff to protect them, but, on the contrary, we set up a huge federally subsidized program to import hundreds of thousands of foreign competitors every year, driving wages down below subsistence levels, and taking even those underpaid jobs away from the domestic employee.

I believe this situation is indeed a sad commentary on our American sense of values when we rate the protection of prices on our industrial and agricultural products above protection for our own fellow citizens in their jobs and in their livelihood.

In effect, the bracero program has been a multimillion-dollar imported labor subsidy going to less than 1 percent of America's growers of food and fiber—generally operating large profitable, corporation-type farms—at the expense of our lowest paid and most underprivileged citizens.

In California, where nearly two-thirds of the braceros work, only 7 percent of the State's largest fruit and truck crop operators utilize their services. The rest—generally the smaller, family-type farms—employ domestic fieldworkers or harvest their crops mechanically.

Those in favor of continuing the bracero program sometimes claim that American workers would not do stoop labor, and therefore that imported laborers are necessary.

This is plain nonsense. American workers perform exhausting tasks in the coal mines and steel mills and foundries and oilfields of our land, because they are paid a living wage, and will do so also in the fields of our country if the same decent and fair wage structure were provided.

I am confident that if Public Law 78 is terminated and a systematic program of recruitment, transportation, and work contracts—at least similar to what has been offered Mexican nationals for the past 12 years—is provided for domestic migrant workers, American growers will have no difficulty in hiring more than enough reliable fieldhands at harvest-time.

And when U.S. farmworkers are assured decent wages and working con-

ditions, and such long-overdue protections as unemployment and workmen's compensation, as well as more adequate housing facilities, then America's "harvest of shame" will be a thing of the past, and a longstanding blot on our national conscience will have been removed.

In this connection, I would like to mention a series of five articles appearing in the Los Angeles Times from October 20 to October 24, 1963. This series was written by Times Reporter Ruben Salazar after completing a 1,000-mile trip through California's San Joaquin Valley to study agricultural labor problems.

As Mr. Salazar points out, California agriculture has depended on cheap imported foreign labor for over 90 years.

First it was the Chinese, then the Japanese, then the European—Italians, Spaniards, Portuguese, Russians, German-Russians, and Armenians—then the so-called Okies and Arkies of the depression years, and now it is the Mexican national.

In my opinion, California agriculture, and agriculture in other parts of the country as well, have lived long past the day when they should be leaning on the crutch of a foreign labor subsidy at the expense of their fellow Americans.

It is my earnest hope that the House of Representatives today will reaffirm its May 29 vote to end Public Law 78, and so relegate the Mexican national farm labor program to the category of past history, where possibly future generations will view it with kinder eyes than the hundreds of thousands of American domestic farmworkers who have been displaced by its unfair provisions.

Mr. RYAN of New York. Mr. Chairman, I am opposed to H.R. 8195. I have opposed the renewal of Public Law 78 and any further extension of the bracero program in the 87th Congress and in this Congress. On May 29 of this year the House voted against a 2-year extension. The reasons for rejecting this program are just as valid now as they were then.

The spectacle of the U.S. Government using funds raised by private parties to import contract labor to work on American farms, undercutting American wage standards and depriving American workers of employment, is one we should no longer tolerate. It has the effect of degrading everyone concerned with it, the Mexican bracero, the grower and the American worker.

If this program were not concealed, hid away in the rural areas of California, Texas, Arizona, and New Mexico, the American people would have ended it long ago. I ask you, Mr. Chairman, what would happen if, for example, our textile mills and apparel factories should raise money and ask the Federal Government to use it to set up work camps to house foreign workers on the outskirts of the textile counties of North Carolina or the garment manufacturing areas of Pennsylvania? If Federal Government representatives were sent to Jamaica and to Canada to secure workers to come into the United States to work for $1 an hour in our textile mills and Government factories? If whenever there was a temporary shortage of labor, foreign labor were shipped in by the busloads, while nearly 5 million American workers were out of work?

We would never even consider such a program in the Congress. So how can we, with any better grace, vote to extend Public Law 78 for another year? This program was set up during the Korean war. That was 10 years ago. Unemployment then was 3 percent of the labor force. There may have been some need for such a program. At least there was a war emergency.

Today unemployment is nearly 6 percent. There is no war emergency. Yet the program continues. Why? Because under the Public Law 78 program the growers of a few of our States, a few thousand of the millions of American farmers profit by it. A sweatshop-in-the-fields is operating under sponsorship of the Federal Government.

The true character of this program has been revealed during the hearings concerning the renewal of the law. The growers complain about the wages required to be offered domestic or Mexican workers under the Secretary of Labor's very weak program to establish some kind of wage standards. What are these wages they object to paying?

They are unwilling to pay $1 an hour for a man or woman to endure the blazing sun of California, stooped over, cutting melons, with a 50-pound sack weighing down his or her shoulders. They object to paying 95 cents to pick grapefruit in Arizona. They think 70 cents an hour too much to pay for chopping cotton in the Texas delta. Yet their neighbors in the State of Arizona groan under the burden of paying 60 cents an hour for cotton chopping.

This is the reality behind the face of this program. The sweatshop from our cities has found refuge on our farms. Let us treat all the farmers alike. If there is a genuine need for foreign labor to work on our farms, there is provision made for its importation in the general immigration laws. What justification can there be for a special program which benefits to any substantial degree only farmers in States close to the Mexican border? Of the 227,000 Mexicans contracted and recontracted in 1962 more than 182,000 of them, over 80 percent, worked in California, Texas, Arizona, or New Mexico. Why this special treatment for a few farmers?

As long as we provide them with cheap hand labor from Mexico, they will use hand labor. Cut off the supply of cheap labor, and they will hire Americans at American wages to operate machines. In the long run, ending the Public Law 78 program will mean more jobs for American workers, higher profits for the farmers, and lower prices for consumers of fruits and vegetables.

I urge all Members to vote Public Law 78 out of existence by defeating H.R. 8195.

Mr. RIEHLMAN. Mr. Chairman, when the House considered the extension of Public Law 78 on May 29, 1963, the majority felt there were no valid reasons to approve the measure.

There were a great number of jobless American farmworkers then and there are now. They need the work which this bill would give to Mexican nationals. In addition, it is not a happy situation to exploit poverty-stricken people brought into this country to work for cheap wages.

It is my understanding that extension of this law would benefit only 1 percent of U.S. farms and those are huge corporate-type operations.

Earlier there may have been good reasons to enact this kind of legislation, but no justification now exists to extend this legislation for the sixth time.

There is no substantial difference between this bill and the one the House earlier rejected. I could not support the first bill and I will not support this one.

Mr. SCHWENGEL. Mr. Chairman, in the past I have had little sympathy for the extension of Public Law 78 and have not supported its extension. My position was dictated by the fact that there was until now no real assurance or plan for the termination of the program. This year because of a critical situation in different parts of the United States and because the prospects for increased cost of food was in prospect I decided to do a detailed and thorough study of this question. With the help of the Library of Congress I have become rather thoroughly informed on the subject. My conclusion is that this type of legislation should be eliminated by encouraging those who use this help plan now to make other arrangements to meet the labor problem. In order to do this without causing undue hardship for either the producers or the consumers. I will vote for a 1-year extension of this legislation. I have the assurance from the Republican ranking member of the Agriculture Committee, the gentleman from Iowa [Mr. HOEVEN], that this is an extension to phase out this program. This assurance also comes from responsible Members of the majority. In addition, assurance comes from producers and from people who represent districts where this kind of help is used.

Let me assure the House and all people who have given assurances in regard to the plans to phase out this program that if this bill is brought back for extension next year, I plan now to vote against it.

In order to make for a better understanding of the subject I should like now to address myself to the history and review of the Mexican farm labor program—with review of the pros and cons of the question.

I. HISTORY AND REVIEW WITH PRO AND CON ARGUMENTS OF THE BILLS BEFORE THE HOUSE ON MEXICAN LABOR

As of March 15, 1963, two bills, H.R. 1836 and H.R. 2009, have been introduced in the House of Representatives to extend for an additional 2 years the authorization for the temporary employment in American agriculture of Mexican workers. This legislation, original Public Law 78 of the 82d Congress, was enacted in 1951. It added title V to the Agricultural Act of 1949. The law has been extended several times. This time we hope and believe it is before us the last time. The last extension, in 1961, was for 2 years, expiring December 31,

1963. Certain amendments were made to the act in 1961. These and the changed administrative handling of the wage standards under the act by the Secretary of Labor have contributed to the current controversy over further extension and amendment of the act.

Under the House rules the bills were referred to the Committee on Agriculture. Hearings were held March 27 through 29. H.R. 1836, introduced by the gentleman from California, Congressman TEAGUE, would extend the present law for 2 years to December 31, 1965. The gentleman from California [Mr. TEAGUE] is ranking Republican member of the Subcommittee on Equipment, Supplies, and Manpower, which held the hearings. The other bill, H.R. 2009, has been introduced by Congressman GATHINGS, chairman of the subcommittee. In addition to extending the law for an additional 2 years, his bill would amend the standards for permitting the employment of Mexican workers and determining when such employment had an adverse effect on domestic farm employment.

This background dissertation considers, first, the general status of farm labor in the United States and then outlines the legislative and economic background of programs for importing foreign labor to work on American farms. The history of the debate over the renewal of Public Law 78 in the 87th Congress is next reviewed and the pro and con arguments given. Then the history of the administration of the Mexican labor program by the Department of Labor since the 1961 amendments is briefly outlined. The final section sketches the current issues over the law's renewal to the extent that they have been developed to date.

II. FARM LABOR IN THE UNITED STATES

American agriculture is today producing more with less labor. This is due to sharply rising productivity of the farmer. Production measured as total farm output increased from 1959 through 1962 from 103 to 108—1957–59 equals 100. Productivity measured in farm output per man-hour rose over the same period from 105 to 124, on the same base, according to estimates of the U.S. Department of Agriculture. Using the figures of the U.S. Bureau of Labor Statistics, which are slightly different in concept, to obtain comparative figures for nonagricultural industries, 1961 output per man-hour was 118.4 in agriculture compared with 106.0 in nonagricultural industries—1957–59 equals 100. Between 1960 and 1961 productivity rose 8.3 percent in agriculture and 1.7 percent in nonagricultural industries.

It is significant to note that this trend toward increasing farm productivity is no new development. From 1950 to 1960 output per man-hour on farms rose by two-thirds. The rate of increase, however, has speeded up sharply in recent years. See table 1. This is reflected in the sharp decline in the number of farmworkers since 1950. Between 1950 and 1960 the number of workers in farm occupations, both family and hired workers, fell 41 percent, the largest decrease ever recorded in a decade. In the last few years a pronounced further drop in hired farm labor has developed. This is most noticeable in workers hired for seasonal farmwork, and especially among foreign seasonal labor, imported for the most part from Mexico. See table 2. This trend reflects increased use of farm machinery:

TABLE 1.—*Percent changes in employment in farm occupations in the United States, 1910–60*

Occupational group	1910–60	1910–20	1920–30	1930–40	1940–50	1950–60
Farmworkers, total	−63	−1	−9	−13	−23	−41
Farmers and farm managers	−57	+5	−6	−11	−18	−42
Farm laborers and farm foremen	−69	−8	−13	−15	−29	−40

Source: U.S. Bureau of the Census, "Occupational Trends in the United States, 1900 to 1950," and 1960 Census of Population, General Social and Economic Characteristics, PC (1)-1C.

TABLE 2.—*Labor force statistics on farm and nonfarm labor*

Item	Annual average			
	1962	1961	1960	1959
Employment (thousands of workers):				
Total [1 2]	67,846	66,796	66,681	65,581
Agriculture, total	5,190	5,463	5,723	5,836
Wage and salary	1,666	1,733	1,866	1,689
Self-employed	2,619	2,744	2,802	3,027
Unpaid family	905	985	1,054	1,121
Nonagricultural industries	62,657	61,333	60,958	59,745
Farm employment, total [3]	6,751	6,990	7,118	7,384
Hired	1,817	1,886	1,869	1,925
Family	4,934	5,104	5,249	5,459
Seasonal hired farmworkers, total [4]	718	769	788	831
Domestic	647	663	665	685
Foreign	71	106	123	146
Unemployment rate [1 2] (percent):				
Agricultural wage and salary workers	7.3	9.3	8.0	8.7
All workers	5.6	6.7	5.6	5.5
Part-time employment for economic reasons [5] as percent of total employment in category: [1]				
Agriculture	9.5	6.0	5.2	([6])
Nonagricultural industries	4.8	4.6	4.5	4.0
Hours [7] average per week: [8]				
All agricultural workers	45.4	44.8	45.5	45.2
Wage and salary workers	40.5	40.6	41.1	39.5
Self-employed workers	51.4	50.4	51.7	51.7
Unpaid family workers	37.9	37.3	37.4	36.6
Nonagricultural workers	40.1	40.1	40.0	40.0
Farm output per man-hour [9]	124	120	115	105
Wage rates (dollars):				
Farmworkers: [3]				
Composite hourly rate	0.856	0.834	0.818	0.798
Hourly rate without room or board	1.01	.99	.97	.95
Factory production workers' gross average hourly earnings [1]	2.39	2.32	2.26	2.22

[1] Monthly Report on the Labor Force, U.S. Department of Labor.
[2] Figures for 1962 not strictly comparable with earlier years because of revisions on basis of 1960 Decennial Census; 1959 and 1960 figures do not include Alaska and Hawaii.
[3] "Farm Labor," U.S. Department of Agriculture.
[4] In-Season Farm Labor Reports received by the Bureau of Employment Security for major agricultural areas.
[5] Could find only part-time work or temporarily on part time due to slack work.
[6] Information not available
[7] "Employment and Earnings," U.S. Department of Labor.
[8] Excluding persons with a job but not at work
[9] Farm output index (1957–59=100), U.S. Department of Agriculture.

Source: U.S. Bureau of Employment Security "Farm Labor Market Developments," January 1963 p. 19.

The trend toward mechanization of agricultural labor is reflected not only in the decline in the amount of labor needed but also in the shift in farm wages. Farm wage rates are substantially higher now than even as recently as 1959, yet the aggregate farm wage bill has remained almost unchanged. This reflects the improved composition of the farm labor force caused by the substitution of small numbers of skilled workers for large numbers of the unskilled.

Unemployment and underemployment are substantially higher among agricultural employees than elsewhere. Farm work is intermittent. Annual earnings among agricultural workers are thus very low, despite the increase in wage rates and the trend toward higher paying, more skilled work. A study by the Department of Agriculture in 1959 showed that of workers working 25 days or more, 1,365,000 workers worked 25 to 149 days and had average annual earnings of $597; 348,000 worked 150 to 249 days with average annual earnings of $1,274; while the 452,000 who worked 250 days or longer averaged $2,186.

Employment of hired labor on farms is concentrated on a few very large farms. The 1954 Census of Agriculture showed 54 percent of the farms spent nothing for hired farm labor; 41 percent paid less than $2,000 in wages and only

5 percent $2,000 or more. The 242,000 farms which spent $2,000 or more in wages paid 70 percent of all farm wages.

III. THE USE OF IMPORTED FARM LABOR IN AMERICAN AGRICULTURE

Although foreign workers have been used on American farms for many years, the present program for their importation by international agreement dates from 1942, to meet labor shortages due to the war.

An agreement for such importation was made with Mexico in that year and for the importation of Bahamian and British West Indian farmworkers in 1943. The West Indian agreements have been superseded by procedures by which Bahamian and British West Indian Government representatives select workers for employment in the United States and negotiate employment contracts directly with American employer representatives. A few Japanese and Filipinos have also been imported for farmwork.

In 1951, the Congress approved Public Law 78—82d Congress—which added title V to the Agricultural Act of 1949. The major features of this legislation are as follows:

First. Authorizes the negotiation of an agreement with the Republic of Mexico establishing procedures for the admission of Mexican nationals into the United States for temporary employment.

Second. Authorizes the Department of Labor to (a) undertake a recruitment and placement function with respect to such workers, (b) assist workers and farmers to enter into contracts for agricultural employment, and (c) guarantee the payment of wages and transportation by farmer employers.

Third. Requires employers who wish to employ Mexican workers to (a) indemnify the U.S. Government for its guarantee of their contracts, (b) pay into a revolving fund a fee for each worker to support the program financially.

Fourth. Restricts the use of Mexican workers to areas where the Secretary of Labor certifies that (a) domestic workers, able, willing, and qualified are not available; (b) the employment of Mexican workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed; and (c) reasonable efforts have been made to attract domestic workers at wages and hours comparable to those offered Mexican workers.

Fifth. Eliminates bond requirement of general immigration statutes for such workers.

Sixth. Provides that no such workers would be provided any employer who employed illegal aliens, either with knowledge or with reasonable grounds to believe they were here illegally.

Seventh. Exempts such workers from social security and income tax provisions.

This statute has been implemented by an agreement with Mexico which sets forth in substantial detail the procedures, terms, and conditions of the contract of employment, and other matters.

Public Law 78 was scheduled to expire December 31, 1953. It has subsequently been extended on various occasions to December 31, 1955, June 30, 1959, June 30, 1961, and December 31, 1961.

The program is self-supporting, except for compliance activities and certain executive functions. Until 1947 the entire cost of importation of Mexican farmworkers was borne by the U.S. Government. Today the user of such labor pays almost the entire cost of the program.

The funds for payment of the expenses incurred in recruiting Mexican workers under Public Law 78 are met from the farm labor supply revolving fund. This fund reimburses the Department of Labor for expenses for transportation, food, and medical care from the time the Mexicans are accepted at migratory stations to the time they are contracted by employers and after their return to the reception center by employers upon the completion of the work contract. The fund also reimburses the Department for all other expenses incurred in the operation of this program, with the exception of compliance activities.

The fund is maintained by fees paid by employers for contracting Mexican workers. The maximum fee is $15 per worker. In addition to this fee, the farmer must pay the cost of transporting the worker from the border to the place of employment and back again.

Under Public Law 78, approximately 200,000 Mexicans were brought in annually between 1951 and 1953. From that time the number increased until it reached approximately 445,000 in 1956. In 1960, the number brought in was 315,846.

Public Law 78 requires that, before Mexican farmworkers can be imported, the Secretary of Labor must determine and certify that:

(1) Sufficient domestic workers who are able, willing, and qualified are not available at the time and place needed to perform the work for which such workers are to be employed; (2) the employment of such workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed; and (3) reasonable efforts have been made to attract domestic workers for such employment at wages, standard hours of work, and working conditions comparable to those offered to foreign workers.

To prohibit any employment of foreign workers which adversely affects domestic wages and working conditions, of course, has consequences with respect to the wages and working conditions under which foreign workers themselves may be employed. The migrant labor agreement with Mexico provides, for example, that:

The employer shall pay the Mexican worker not less than the prevailing wage rate paid to domestic workers for similar work at the time the work is performed and in the manner paid within the area of employment, or at the rate specified in the individual work contract which shall be the rate determined by the Secretary of Labor as being necessary to permit him to certify * * * [that the employment of Mexican workers would not adversely affect the wages, working conditions, and employment opportunities of domestic agricultural workers in the United States], whichever is higher. The determination of the prevailing wage rate will also be made by the Secretary of Labor.

The standard contracts for the employment of British West Indians, Bahamians, and Japanese also provide that the prevailing wage rate must be paid.

In many respects, however, the assurances concerning the wages and working conditions made to foreign workers employed under standard agreements—which are designed at least in part to avoid adverse effect on domestic workers—have in practical effect given foreign workers much greater protection than our domestic workers receive. For example, the Mexican, British West Indian, and Bahamian contracts all provide that work will be available for three-quarters of full time. The latter two contracts also guarantee the worker that he will be able to earn a stipulated minimum in each biweekly period. As another illustration, the employer of Mexican workers under Public Law 78 must provide housing that meets minimum standards prescribed jointly by the United States and Mexico. The British West Indian contract similarly requires the employer to supply, without cost to the worker, such housing "as may be required or approved by the British West Indian Government's agent."

Despite present restrictions on the use of foreign farmworkers, and despite their relatively favorable working conditions, there is considerable evidence that domestic farmworkers are not fully protected against the economic effects of the importation of foreign farmworkers.

In 1959, a panel of consultants appointed by Secretary of Labor Mitchell reported on the Mexican farm labor program. They found indications that the preference of many employers for Mexican labor had forced domestic workers to seek other job opportunities; that, by using foreign workers, farmers had compressed the already short workseason and deprived American farmworkers of additional days' employment; and that the availability of foreign workers had prevented normal competition for workers in an open market and consequent rises in wage levels.

Among the consultants' recommendations were the following: First, that the use of Mexicans should be clearly confined to necessary crops in temporary labor shortage situations and to unskilled nonmachine jobs; second, that active competition among employers for available domestic workers should be insured; third, that the criteria of adverse effect should be made specific and should include (a) failure of wages and earnings in activities and areas using Mexicans to advance with wage increases generally; (b) the relationship between Mexican employment trends and wage trends in areas using Mexican workers; (c) difference in wage and earning levels of workers on farms using Mexican labor compared with nonusers. Finally, the consultants recommended that the Secretary be authorized to establish wages for Mexicans at the rates necessary to avoid adverse effect on domestic wage rates.

It has already been noted that about 54 percent of American farms employ no hired farm labor. Of the farms which do hire labor, 44 percent hire domestic

farmworkers only. Less than 2 percent of the farms make use of imported foreign labor. Of the 50,000 farms using Mexican labor, approximately 70 percent are in two States, Texas and California. In these two States and in New Mexico and Arizona about 12 percent of the farmers hired Mexican nationals in 1960. Table 4-A—not printed in the RECORD—shows the distribution by States of such labor for 1960, the last year before Public Law 78 was renewed, table 4-B—not printed in the RECORD—the same date for 1961, and table 4-C—not printed in the RECORD—for 1962.

In evaluating the importance of foreign farmworkers to farm production in the United States it should be noted that they make up only a small fraction of the seasonal labor employed on farms. As table 2 shows, in 1959 a total of 831,000 seasonal farmworkers were employed, 146,000 of whom were foreign nationals. This was less than 18 percent of the total. In 1962 they numbered 71,000 out of 718,000, or 10 percent of the total as in table 2.

Nevertheless, in certain areas and for certain crops imported farm workers are extremely important. In 1960, at peak season, foreign workers were over three-quarters of the seasonal workers on lettuce, nearly half of the workers on cucumbers, one-third or more of the workers on tomatoes, citrus fruits, and sugarbeets, and about one-quarter of the workers on cotton. Although the current figures are not generally as substantial, the contribution in certain areas remains very large.

IV. THE RENEWAL OF PUBLIC LAW 78 IN THE 87TH CONGRESS

Early in the 87th Congress, Congressman GATHINGS introduced H.R. 2010, which provided for the extension of Public Law 78 for a period of 4 years to December 31, 1965. Opponents of the bill, such as the American Federation of Labor and the Congress of Industrial Organizations, called for major revisions of the bill and plans for its final termination; otherwise they opposed any extension.

THE PRINCIPAL ARGUMENTS FOR EXTENSION OF LAW WITHOUT AMENDMENTS OF SECRETARY OF LABOR

First. The Mexican farm labor program has supplied farmers with workers that were not available from the labor force of the United States. Experience has shown that most American labor is unwilling to accept seasonal agricultural employment.

Second. It has virtually eliminated wetbacks, illegal aliens who once swarmed across our southern border. It should properly be referred to as an anti-wetback bill. The number of illegal Mexican entrants apprehended in the United States has fallen from 1,075,168 in 1954 to 30,196 in 1959.

Third. Mexican workers have benefited and likewise the communities to which they return, by receiving employment they would not otherwise obtain at wages substantial above what they could earn in Mexico.

Fourth. This employment has substantially aided the economy of our neighbor, Mexico. Wages sent back to Mexico are the second most important source of dollar exchange, next to the tourist trade. These wages make it possible for Mexico to buy more from the United States than we buy from them. In 1960 our exports to Mexico were $807 million; our imports were $443 million—a balance of $364 million in our favor. Mexico is one of our most important customers.

Fifth. The number of hired farm workers has declined as a result of technological developments, not because of the competition of Mexican labor. The kinds of work in which Mexicans are engaged are the weeding of vegetables or the harvesting of fruits and vegetables. This is "stoop labor," a kind of work which few U.S. citizens are willing to do.

Sixth. Mexicans are vital to the production and harvesting of such crops as lettuce, carrots, sugarbeets, tomatoes, cotton, peaches, berries, among other fruits and vegetables. The commercial producer of such products must hire workers temporarily for weeding and harvest operations, to whom he cannot offer employment during the remainder of the year.

Seventh. If the program for the import of Mexican farm labor were terminated the impact would fall most heavily on the small commercial producer. Large farmers are already more mechanized, and in the event of a critical labor shortage could mechanize to an even greater extent, than small farmers. Small farmers usually lack the capital to buy the expensive machinery and even if they have the capital, lack the volume of work to amortize their costs of investment.

Eighth. The use of Mexican workers has not kept American farm wages from rising. In 1950 the index of farm wages published by the U.S. Department of Agriculture was 432—1909–14 equals 100. In 1960 the index was 629, an increase over 1950 of 46 percent.

ARGUMENTS AGAINST EXTENSION OF LAW WITHOUT AMENDMENTS OF SECRETARY OF LABOR

First. Public Law 78 was enacted in 1951, at a time of labor shortage during the Korean conflict. It was temporary legislation, which has been extended several times by the Congress. It should not be extended again unless amendments based on experience gained in administering the law are incorporated.

Second. In the years since 1951 the farm labor force has declined, in number, as technological change in agriculture has continued at a rapid pace. Unemployment and underemployment have increased as rural problems. At the same time that the need for job opportunities for American farmworkers has been increasing, the use of imported Mexican labor has also been increasing. American workers have been displaced by foreign workers.

Third. Mexican workers perform seasonal farm labor in competition with American migratory labor. Migratory laborers are among the most neglected and underprivileged groups in the American economy. Their wages are low, they suffer much unemployment, and they are generally denied the protection of unemployment compensation laws, minimum wage laws, and workmen's compensation laws. Because they move from area to area, following the crops, they and their families are denied educational, health and other forms of social services facilities which normally accrue only to permanent residents of a community. In fact, Mexican workers received under their contracts better working conditions than American workers receive.

Fourth. About 70 percent of the Mexican nationals employed in the United States are employed on the farms of two States, California and Texas. Only five other States employ as many as 3,000 Mexicans at peak seasonal employment. The program exists to benefit a small minority of farmers.

Fifth. Wages in work performed by Mexican nationals are so low that there is no way of determining whether there is need for the program or not. Wages as low as 35 cents an hour were paid in some areas. No State had a going rate higher than $1 an hour. Unless wages more in line with American standards are offered it is not likely that American workers will be attracted to such jobs. Public Law 78 removes any incentive for employers to offer wages which might attract American labor.

Sixth. The amendments proposed by the Department of Labor would require that American workers receive wages and working conditions at least comparable to those offered Mexican nationals. They would introduce a measure of competition into the employment situation by requiring a minimum number of American workers be employed. This would assist the Secretary of Labor in determining whether a genuine need exists for certifying that Mexican workers are required.

Seventh. If the program is to be continued, some guidelines to measure the extent to which the employment of Mexican nationals is having an adverse effect on American farm labor are essential. Past experience has shown that, without such guidelines, the standards of employment and the number of Americans employed have continued to fall, while the number of Mexican workers has increased.

Eighth. In particular it is essential that minimum wage standards by which to measure adverse effects be established. Without such standards the automatic adverse effect of the pressures of virtually inexhaustible supply of labor in Mexico on the farm labor market in the United States will continue to keep the wages offered farmworkers at a very low level.

It is important to note that the cutback in the use of Mexican workers was the predominant element in the decline in the use of foreign workers. Between 1959 and 1962, average employment of Mexicans declined 56 percent while employment of workers of other nationalities increased 11 percent. During this period the continued mechanization of the cotton harvest has reduced manpower shortages and cut down the need for bracero labor. In turn, the increased cost of Mexican labor as a result of the wage rates established by administrative decision has stimulated a further shift

from hand harvesting to the use of machines.

However, the recent wage decisions are only the last of such a series of such cost-increasing decisions. The 90-to-10 formula which was in use from 1959 through 1961 required growers to pay piece rates which would enable 90 percent of the Mexicans engaged in a particular activity in an area to earn at least 50 cents an hour. The rise in piece rates which resulted from this formula was an important factor in initiating the decline in the use of Mexican labor, which fell on the average 17 percent between 1959 and 1960 and 15 percent between 1960 and 1961.

Since the adverse effect wage determinations were issued in the spring of 1962 the wages of Mexican workers have been sharply increased. Under the program Mexicans cannot be employed at piece rates which would not enable them to earn the specified hourly rates and, furthermore, piece rate workers must be guaranteed average hourly earnings per payroll period no less than the adverse effect rate.

At the same time as the use of Mexican workers has declined, an uptrend in the number of workers of other nationalities, notably those from the British West Indies, Japan and the Philippines has taken place. These workers come in under another law, Public Law 414.

The numbers of such foreign workers, however, remains very small. Perhaps the most significant aspect of this trend is the use of Japanese and Filipino workers on the west coast. Here such workers are especially useful as they can be more effectively utilized in areas where the year-round use of foreign workers on a succession of crops is desired. They are admitted for a period of 3 years, in contrast with the 6-month limitation on the admission of Mexican workers.

Since 1960 there has been relatively little change in the employment of domestic workers. For the country as a whole, their employment in 1962 averaged 647,000, about the same as in 1961, while average foreign-worker employment was 71,000, one-third lower. Peak employment of domestic workers was actually higher in 1962 than in 1960 or 1961, while peak employment of foreign workers fell nearly 50 percent between 1960 and 1962. Increases in wages of domestic farm workers in areas where foreign workers were used were much more common in 1962 than in several years.

Mr. FISHER. Mr. Chairman, I rise in support of the pending bill. I do not know of any legislation that has been before this body in recent years that has been so misunderstood. It must be kept in mind that under Public Law 78, no Mexican farmworker can be contracted to work in this country unless and until it is determined by the Secretary of Labor that there is a shortage of domestic workers in the area and, second, unless the imported worker is paid at least the prevailing wages in the area where he is employed. These two provisions should completely destroy the phony claim that has been raised concerning low wages for braceros and taking jobs away from domestic workers who are able and willing to work.

It happens that I represent a district in Texas which borders on the Rio Grande River for a distance of about 100 miles. Most of the people in my district are engaged in livestock and ranching, with some diversified farming. Former Secretary of Labor Mitchell, several years ago, arbitrarily took it on himself to promote a policy which resulted in the elimination of ranchworkers from the bracero program. That same policy has been followed by the present administration. For that reason, my district has been deprived of the benefits of this law for several years, with but a few exceptions. Therefore, whether this bill is approved or disapproved makes very little difference so far as the effect will be on my district.

There are two reasons why I am voting for this bill today. First, because of my sympathy for those areas that are able to contract Mexican workers to take care of extremely urgent situations, such as occurs during harvest seasons involving vegetables, fruit and, in a few instances, cotton. There is a second reason, which I think is a valid one, why we should be very cautious in opposing this legislation at this time. In the old days, prior to 10 years ago, before so many restrictions were imposed upon the admission of Mexican farmworkers to meet the shortage problems, the annual inflow of permanent immigrants from Mexico was less than one-third of what it is today. Last year we admitted 55,291 for permanent residence; in 1953 the figure was 18,454. A study of the inflow during this period indicates that the rate of applications for permanent visas has had a direct relationship to the Labor Department's policies on restricting these people from coming in on a temporary, contractual basis. A total of 400,263 have been admitted for permanent residence from Mexico during this 10-year period.

I am informed that there are now about 35,000 such applications pending at the consulate in Monterrey. This is several times more than were pending 10 years ago. I assume a similar ratio exists in other consulates, particularly in northern Mexico.

Most of these Latin Americans become good citizens, but at this time when we are told that there are too many unemployed people in this country, and the Congress is being asked to spend billions of dollars to alleviate that problem, it hardly makes sense to me for us to promote a policy here today which would add to the labor force and increase unemployment. In other words, a vote against this bill here today is very definitely a vote in favor of an increase in the inflow of Mexican farmworkers—not on a temporary contractual basis, but to become permanent residents, and it would encourage the entry of wetbacks.

In my own district there has been a chronic labor shortage to meet the needs of farms and ranchers for years. Every employment office in my area will confirm that fact. It is most unfortunate that because of an unrealistic and arbitrary attitude on the part of the Labor Department, the people in my district have been deprived of this source of labor to meet their minimum needs. But we are resigned to our fate and whether this bill is passed or not will make very little difference in that respect. But it would, in my judgment, be very foolhardy for this House today to refuse to approve this extension. To do this would be to deprive people who are dependent upon this source of labor as a means to help meet their needs during harvest seasons, and would, at the same time, contribute directly to an increase in the admission of larger numbers of Mexican nationals to become permanent residents. If a bracero is deprived of the privilege of coming in by himself, without his family, under contract on a temporary basis, to do farmwork, he knows that he can go to the American consulate and, if in good health and otherwise admissible, obtain an immigration visa and come in on a permanent basis and bring his entire family with him. The question is: Which do you want—workers brought in alone on a temporary basis by themselves, or workers admitted on a permanent basis, along with their families?

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 510 of the Agricultural Act of 1949, as amended, is amended by striking "December 31, 1963", and inserting "December 31, 1964".

AMENDMENT OFFERED BY MR. ROOSEVELT

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: Strike out all after the enacting clause and insert in lieu thereof the following: "That section 510 of the Agricultural Act of 1949 is amended to read as follows:

" 'SEC. 510. No worker will be made available under this title for employent after December 31, 1963, except that during the calendar year 1964, workers may be made available under this title for employment on farms where such workers were employed during the preceding year, but only if and to the extent that the Secretary determines that every reasonable effort has been made to obtain suitable domestic labor and that such labor is unavailable for such employment.' "

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for an additional 5 minutes.

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

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, I offer this amendment in the hope we can recognize that there seem to be three groups who have discussed this bill this afternoon. One group is a group that makes it very clear they think the law itself is necessary and should go on more or less in perpetuity.

The second group is the group who says, No, we do not think the law is sound or right, but it needs to be phased out because there are going to be people who are hurt unless a reasonable time for adjustment is allowed."

Of course, the third group consists of people who say they have had enough time and enough notice and, therefore, the law should be completely stopped now.

Mr. Chairman, I belong in the middle group, the group who believes that the law needs to be phased out because people will be hurt unless a reasonable time is allowed to make the necessary adjustment. I am satisfied from my reading of the testimony brought out before the committee and from reading the report of the committee, and from listening to the discussion on the floor of the House here today, that it is possible to phase out this law, Public Law 78. I am satisfied by the experience in the State of Washington and in other areas that domestic labor can be made available.

There are number of reasons why our domestic labor is available and one of the reasons is the mechanical advances in this field.

But the fact remains there are a number of growers, particularly small growers who have, for a number of years, felt that we were not serious in closing out this program and who, therefore, have not been prepared and who today, if you cut this program off on December 31, would not be able to harvest their crops next year. I think we need to convince them that we are serious, and that is what my amendment does. I think, at the same time, we have to provide a reasonable escape clause so that when the Secretary is convinced by proper evidence that they are phasing out, but that they need the additional year, they will have that additional year in which to operate on bracero labor.

I think also it is important to remember that the Secretary of Labor himself has said he needs a little more time to work out the details so that the Department of Labor can help the recruiting programs such as have been mentioned in this debate to make sure that nobody gets hurt.

My friends, I think you will agree that in general I can be classified as a liberal. Some of my friends are little unhappy, on the liberal side, that I will not go all out for cutting it off December 31. I happen to think that a liberal is one who supports a principle but that he does not trample on somebody's rights just to support that principle. I think I can be for the principle and go forward with the principle and still be fair to some people who otherwise would get hurt. That is what my amendment basically tries to do.

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

Mr. ROOSEVELT. I yield to the gentleman.

Mr. SISK. Mr. Chairman, I wish to express my deep appreciation to my colleague, the gentleman from California, for yielding. I also wish to compliment him on what I feel to be a very excellent and a fine statement of his position on this question, and his recognition of the problems that we could be confronted with by an abrupt ending of this program.

I would like to ask the gentleman one question which has to do with an interpretation of the term "reasonable" as used in his amendment.

I would like to phrase the question in this way: Does the gentleman construe the term "reasonable" in his amendment to have the same meaning as the term "reasonable" in the existing law and the requirements imposed thereunder by the Secretary of Labor?

Mr. ROOSEVELT. I will say to the gentleman I think, because it has been operated in the past with the term "reasonable," that the term "reasonable" is understood by the Secretary of Labor and that is why I used exactly the same word, and I think the Secretary should and would follow the same standards.

Mr. SISK. I thank the gentleman for yielding, and I support his amendment.

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

Mr. ROOSEVELT. I am glad to yield to my friend, the gentleman from Hawaii.

Mr. GILL. I thank the gentleman for yielding. I would like to put several further questions to him in line with the questions put by the gentleman from California [Mr. SISK].

It has been alleged your amendment here restates existing law. It is certainly not your intention to do that, is it?

Mr. ROOSEVELT. No. My amendmend does not restate existing law, because it says:

> No worker will be made available under this title for employment after December 31, 1963, except that during the calendar year 1964.

And there it stops after the provisions follow through for that calendar year.

Mr. GILL. Mr. Chairman, will the gentleman yield further?

Mr. ROOSEVELT. Yes. I am glad to yield.

Mr. GILL. May we explore it in more detail?

Mr. ROOSEVELT. Yes. By all means.

Mr. GILL. Do you mean, then, by your proviso to say that the showing must be by the farmer himself in a given area and not just a showing for the area?

Mr. ROOSEVELT. That is correct.

Mr. GILL. He has to show personal hardship himself?

Mr. ROOSEVELT. Each individual case will have to stand on its own merits.

Mr. GILL. Therefore, do you mean that the Secretary of Labor must make a specific determination for that farmer and not blanket him in because he is in a certain labor area?

Mr. ROOSEVELT. That is true. But I do not want to say I am unrealistic enough not to expect the Secretary of Labor will do it all himself. He will set up machinery to do it. He will not go himself to see every individual farmer.

Mr. GILL. No. But the determination has to be made on an individual basis and not on a blanket basis. Is that correct?

Mr. ROOSEVELT. That is correct.

Mr. GILL. And because that one farmer in that area gets the use of braceros under your amendment does not mean that his neighbor gets the use of braceros under your amendment. Is that right?

Mr. ROOSEVELT. The gentleman is correct.

Mr. GILL. I would like to ask one further question if I may.

Mr. ROOSEVELT. Certainly.

Mr. GILL. Does "every reasonable effort," which is the language mentioned by the gentleman from California [Mr. SISK], include such things as offering comparable working conditions to the working conditions given to the braceros? I mean such things as equivalent to workmen's compensation and transportation from other parts of the country and recruiting outside the State or labor area. Are these things included in the "reasonable effort" that must be made by the individual farmer before he will qualify under your proviso?

Mr. ROOSEVELT. No; I think, as I mentioned to the gentleman from California [Mr. SISK], the guidelines will be the same as presently exist for the Secretary of Labor. There is presently—I do not know the technical term, and perhaps my friend, the chairman of the committee, would provide the word for me—a point at which domestic labor cannot be paid less than that figure or below that figure. So there is a sort of minimum wage set, and he must have at least offered that minimum wage and certainly it is one of the conditions that must be lived up to which are set out in the law today.

Mr. GILL. In other words, you are making no change in the existing law?

Mr. ROOSEVELT. Not for the year 1964, I say to my good friend, but one of the reasons I limited it to that was that the Secretary of Labor would administer it and we are at the same time giving him an admonition that he must go out and put together the machinery to do this, some of which I think my friend, the gentleman from California [Mr. COHELAN], has already offered in the form of legislation. He must put it into practice and come down here and work for it, and he must work the machinery so that available domestic labor can be organized and can be recruited on a basis which will make it available.

Mr. GILL. Will the gentleman yield for a final question?

Mr. ROOSEVELT. I will be glad to yield.

Mr. GILL. It is your intention that the efforts of the Secretary of Labor in recruiting for these farmers who show the need will be directed to the end that there will be no further use of this labor after next year?

Mr. ROOSEVELT. The gentleman is quite correct. The limitation or the exception applies only through the calendar year 1964.

Mr. GILL. If this bill comes back from conference after your amendment is adopted, with your provision for ending the labor program next year deleted from it, what then?

Mr. ROOSEVELT. If it comes back—and I presume the gentleman from Hawaii means if it comes back from conference, because I understand the Senate has already passed the bill—in the form you mention, I would then certainly

fight the conference report and try to instruct the conferees, because I believe in the position of the House and I believe that the conferees who will represent the committee will fight for the position of the House. I have full confidence in them.

Mr. GILL. I thank the gentleman.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I am happy to yield to my friend from Colorado.

Mr. ROGERS of Colorado. As I understand it, the other body under the sponsorship of the two Senators from my State passed an extension to this law. If your amendment is adopted, does this bill then go to conference on the bill that was passed by the Senate, or do you know?

Mr. ROOSEVELT. I am told, and I will check with the chairman of the committee, that if we pass this bill as amended by my amendment, then the bill would go to conference.

Mr. ROGERS of Colorado. But if the gentleman's amendment is not adopted, then do we go to conference on the Senate bill?

Mr. ROOSEVELT. Let me yield to the chairman of the committee to answer that question.

Mr. COOLEY. When final action is taken on this bill I intend to make a motion to strike out all after the enacting clause of S. 1703 and insert in lieu thereof the provisions of this bill.

Mr. ROGERS of Colorado. I thank the gentleman.

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

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

Mr. POAGE. The gentleman will understand there has been reference made to the abrupt decline in the use of braceros in the State of Texas last year. I think that was largely due to the fact of the tremendous freeze in the Rio Grande Valley with no fruit crop and very little vegetable crop to harvest. Would the gentleman be willing to accept an amendment to his amendment that would make this applicable to the farm that had used bracero labor in the past rather than simply the previous year?

The CHAIRMAN. The time of the gentleman from California [Mr. ROOSEVELT] has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may proceed for 1 additional minute.

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

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, if I understand the gentleman's question, what he inquires is whether I would be willing to accept an amendment which would say that it was not applicable just to somebody who used braceros this year, 1963.

Mr. POAGE. But had used them any time in the past.

Mr. ROOSEVELT. I think the answer to that is "yes," because there are certain situations where in all good faith—and I happen to know at least one—a grower has gone out and tried to eliminate the use of braceros and has been successful in so doing and then, if this amendment becomes law, as I hope it will, he may find himself in such competition that for the period during this adjustment he might not be able to get the necessary labor.

Mr. POAGE. Would the gentleman say that we could change the words "the preceding year" to "a preceding year"?

Mr. ROOSEVELT. Yes.

Mr. JOELSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the point has been made here today that it is an act of mercy on your part to extend this program so that we can take care of the poor Mexican workers. Very frankly this would have a much more convincing effect on me if the people who were putting forth this point of view were not the very same people who were so vociferously last year opposing a child labor law for domestic migrant workers.

The point is made that there is an insufficiency of supply of labor. Then I think we ought to do something about that insufficiency of supply. And I submit that the best way would be to pass a migratory labor law, to include farmworkers under a minimum wage law so that farm labor would not be the burdensome, grinding thing that it is today. Rather than perpetuating a program that I think is a cruel program, if we want to make American workers available for farmwork we ought to consider amending the minimum wage law to get the farmworker under it. If that day ever comes those people who are the most loudly proclaiming the advantages of the bracero program will be most vigorously opposing this amendment.

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

Mr. JOELSON. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Mr. Chairman, I agree with the gentleman 100 percent. But there is one good thing that I see in this bill. There is a civil rights provision in this bill.

As I understand it, the people who are supporting this bill are in the position of supporting civil rights, because in order to get an agreement with Mexico we had to agree that these Mexicans can go anywhere and no discrimination shall be shown to them, for instance, in a beauty shop or many other public places of accommodation.

I would assume if the supporters of this bill are going to support it right down the line, that they will support a fair civil rights bill along with it.

So, why should we not do for our own what we are doing for these Mexican nationals?

Mr. JOELSON. I agree with the gentleman from Rhode Island and I hope these newly found advocates of civil rights will be vocal 2 or 3 weeks hence when the main bout occurs on that legislation.

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

Mr. JOELSON. I am happy to yield to the gentleman from California.

Mr. SISK. I appreciate the comments of my good friend, the gentleman from New Jersey [Mr. JOELSON]. I want to say, though, that as one person who is supporting the 1-year extension, and I have said specifically that it is a phase-out program, and the gentleman may not remember it, but I was in the well of the House 2 years ago in support of a national minimum wage for farmworkers and I will continue to suport it. I would like to join with the gentleman in introducing legislation to accomplish that. For some time I have supported the situation with reference to child labor. I think the gentleman will agree with me.

I simply want to note that there are some of us who feel that there is some real justice in extending this program at least 1 year in order to phase it out. Yet at the same time I think we could find support to correct things that I agree ought to be done in the field of farm labor.

Mr. JOELSON. I would like to say to the gentleman from California [Mr. SISK] that his credentials in this field are gilt edged. I certainly would like to acknowledge that he is one person who actually practices what he preaches and does want to have a minimum wage for farm labor.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on the pending amendment offered by the gentleman from California [Mr. ROOSEVELT], and in response to the inquiry by the gentleman from Texas [Mr. POAGE] as to an amendment to the amendment, I would like to make a unanimous-consent request. I have conferred with the author of the amendment.

Mr. Chairman, I ask unanimous consent that in the amendment where it says, "where such workers were employed during the preceding year," that the word "the" be changed to "a".

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

There was no objection.

AMENDMENT OFFERED BY MR. BASS

Mr. BASS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS to the amendment offered by Mr. ROOSEVELT: Add a new section: *"Provided,* That no workers under this act may be used to produce crops that are in surplus supply."

Mr. COOLEY. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Tennessee is not germane.

The CHAIRMAN. Does the gentleman desire to be heard upon his point of order?

Mr. COOLEY. Mr. Chairman, I do not.

The CHAIRMAN. Does the gentleman from Tennessee [Mr. BASS] desire to be heard?

Mr. BASS. Mr. Chairman, the amendment, on the face of it, is germane to the bill. I do not care to be heard. I would ask the Chair to rule.

The CHAIRMAN. The Chair is ready to rule. The Chair rules that the

amendment offered by the gentleman from Tennessee is germane.

Mr. BASS. Mr. Chairman, the amendment is very plain. It simply states that these braceros, workers that are imported into this country, may not be used to produce crops that are now in the warehouses, crops on which we are now paying storage prices. That is how simple it is.

Mr. Chairman, I cannot for the life of me see the justice and the equity in importing labor into the United States to produce crops on which we are now paying storage and also crops for which my own farmers in Tennessee, family farmers, would like to have additional acreage. I am speaking specifically of cotton. There are many families in the congressional district which I have the honor to represent in Tennessee who are now restricted to producing 10 acres of cotton on their family farms who would just love to have 40 acres of cotton to produce on their farm.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. HANNA. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. POAGE. Yes.

Mr. HANNA. May I ask the Chairman, what would happen to Mr. ROOSEVELT's amendment if the last amendment that has been proposed were to be adopted?

The CHAIRMAN. The Chair wishes to inform the gentleman that if the amendment offered by the gentleman from Tennessee is adopted, it would become a part of the amendment offered by the distinguished gentleman from California [Mr. ROOSEVELT].

Mr. HANNA. I thank the gentleman.

Mr. POAGE. Mr. Chairman, I believe I should call attention to the fact that this is a substitute for the Roosevelt amendment.

Mr. COOLEY. Mr. Chairman, I understood it was offered as a substitute for the Roosevelt amendment and not as an amendment to the Roosevelt amendment.

Mr. POAGE. It would take the place of the Roosevelt amendment. Whether it is a substitute for the Roosevelt amendment or an amendment thereto it will if it is adopted have the effect of killing the bill.

Mr. BASS. It is a simple amendment to a substitute. If my amendment is adopted and the substitute is adopted, the bill will contain the Roosevelt amendment and my amendment.

The CHAIRMAN. The amendment offered by the gentleman from Tennessee [Mr. BASS] provides that a new section will be added. It would be added to the Roosevelt amendment.

Mr. POAGE. Mr. Chairman, we have presented to us something, whether he calls it a substitute or an amendment, which is offered for the purpose, with the intention and with the absolute effect, if carried, of destroying the bill, and I think the author recognizes that and admits it.

Mr. Chairman, the gentleman from California [Mr. ROOSEVELT] has offered an amendment to a rather controversial bill which seems to many of us, at least, to hold the hope and the strong probability of settling the differences that exist between most Members of the House. There will be, of course, a fringe on this side and a fringe on the other side that does not want to settle anything. But the gentleman from California [Mr. ROOSEVELT] has given us the means of coming together and achieving the basic results which are wanted by most Members of the House.

Most everybody recognizes that the amendment the gentleman from California [Mr. ROOSEVELT] has presented is an amendment which holds the seed of complete compromise in solving this problem. Whether this comes as an amendment or as a substitute for the Roosevelt amendment, it would have the effect of completely destroying all harmony, of completely destroying the bill, because it relates to all crops which are surplus in the United States and in a warehouse, and warehoused. I do not know of any crop in the United States that is not warehoused.

It relates to all commodities in warehouses in the United States. If that does not cover everything in the United States I do not know what does. It covers everything from melons all up and down. It simply says that in effect you cannot have a bill. You get the name but you get no substance. That is exactly what is proposed.

This amendment is offered for the purpose of killing the bill. It would kill the bill, and it would wipe out the fine opportunity the gentleman from California has given us to get the various groups together. I do not believe the House at this stage of the game wants to wipe out the possibility of arriving at a program which will achieve the basic objectives of those who want a bill and at the same time protect the principles of those who believe that there should be a termination date in the bill. The Roosevelt amendment gives us that means. The Bass amendment gives us no opportunity to do anything; in fact, it wipes out everything in the bill. It is perfectly clear, and what I want to do is make it perfectly clear, that adoption of the Bass substitute completely and entirely wipes out the bill. Of course, all those who want to wipe out the entire bill will vote for the amendment to wipe it out, but all those who want to continue the bill for 1 year, which is what the gentleman from California [Mr. ROOSEVELT] wants, will then, of course, vote against the substitute.

Mr. LEGGETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would merely like to state this: I want to compliment the vice chairman of our committee for his remarks and explanation with respect to the Bass amendment. Under section 32 of the Agricultural Act the Secretary of Agriculture is empowered to buy up practically any commodity, including peanut butter, apricots, apples, and so forth, for the school lunch program, which are in surplus supply. This is the definition of the amendment offered by the gentleman from Tennessee [Mr. BASS]. It would cover all the fruits and vegetables which we need to harvest in California through this supplemental labor supply. I think the gentleman has something in mind by his amendment but he certainly has not expressed it. The amendment is in poor form and should be defeated.

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

Mr. LEGGETT. I yield to the gentleman from Tennessee.

Mr. BASS. If the gentleman has any doubt about what I have in mind, and the amendment is poorly drawn, if he understands the language which is used in every farm bill we have had up in this Congress, the word "surplus" means, referring to agricultural commodities, those commodities that are held in warehouses and on which we are now paying support prices. It means a surplus supply on which we are now paying storage. To make legislative history, the author of the amendment now explains that his amendment applies only to those commodities that are now either under loan or are owned by the Commodity Credit Corporation that are in surplus supply.

Mr. LEGGETT. Is that a question?

Mr. BASS. No, it is not a question. I am just explaining it.

Mr. LEGGETT. I think there is a way of stating what the gentleman wants to state, but I do not think he has clarified it. I do not think he can clarify it by giving legislative history here. You have to take the amendment at its plain meaning. When you do that, you wipe out about 100 crops in California.

Mr. BASS. The gentleman just does not understand agricultural language, if that is what he thinks.

Mr. LEGGETT. I have had only 9 months at this.

Mr. BASS. I am trying to help the gentleman and explain the way agricultural language is used in these bills, and the word "surplus" is used just exactly as I have told the gentleman.

PREFERENTIAL MOTION OFFERED BY MR. HAYS

Mr. HAYS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HAYS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HAYS. Mr. Chairman, I hope that motion passes—and it disposes of this real fast. But if it does not and the bill still remains before us—I cannot keep the Republicans from listening, but I want to talk to the Democrats—I want the Democrats all to get behind this bill and pass it. We really ought to because the Farm Bureau is for it and they really help us Democrats out and we ought to help them out in a case like this. And then, two of the chief sponsors of the bill are the gentleman from Arkansas [Mr. GATHINGS] and the gentleman from Texas [Mr. ROGERS]; they are for it and everybody knows that they go right down the line with the Democratic administration whether it be President Roosevelt, Truman, or Kennedy, and we ought to help them out.

Finally, Mr. Chairman, this might look bad, as the gentleman from Iowa [Mr. GROSS] said, in print back home. If anybody here or anybody back home thinks I am not kidding—let me disabuse him of that impression because I am.

Mr. SISK. Mr. Chairman, I rise in opposition to the preferential motion.

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

Mr. SISK. I yield to the gentleman.

Mr. GROSS. I was a little surprised that the gentleman from Ohio would offer a motion to strike the enacting clause, which would kill the bill, but at the same time urge his colleagues on the Democrat side to pass the bill.

Mr. HAYS. Will the gentleman yield?

Mr. SISK. I yield to the gentleman for a moment.

Mr. HAYS. I did say I hope the enacting clause is stricken, but failing that—well, you get the point.

Mr. SISK. Mr. Chairman, I think we have reached the time of day when, perhaps, we ought to start voting on some of the proposals now before us. I have great admiration for my very dear friend, the gentleman from Ohio. I would say that he and I probably vote about 95 percent of the time together. So actually he has a very fine voting record; that is, according to my opinion.

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

Mr. SISK. I yield to the gentleman.

Mr. HAYS. Our voting records are not pinko or anything like that; are they?

Mr. SISK. Not that I know; the last time I checked them, I did not interpret them that way.

Mr. Chairman, let me say that for a person who has been supporting this program, and I have through the years, as I am supporting this 1-year extension today, I have never been dictated to by the American Farm Bureau. The fact of the business is that the Farm Bureau does not give me a very high rating. I am glad to support the Farm Bureau when they are right. I find myself in a position of opposing them a great deal of the time, however, because they are wrong on most issues. On this one, I join with them in seeking a 1-year extension.

With reference to how some of my colleagues have voted on various issues, I have not agreed with all of my Democratic colleagues any more than I have agreed with all of my Republican colleagues on various issues that have faced this House. But I would like to plead with my colleagues that we get back to the issue under discussion here today—a plea that I think has been made very clear. What we seek to do is to extend this program for 1 year and give the American farmers an opportunity to phase out this program and for us, in cooperation with the farmers, to come up with some answer to a problem which certainly all Americans, consumers, and housewives throughout the country should be vitally concerned with. So I would plead that the amendment which the gentleman from California [Mr. ROOSEVELT] has offered with a minor suggested change, which has been made, be adopted and that we proceed to send this bill to conference where I am sure the committee will be able to work out an equitable program which will permit a reasonable solution and bring an end to this particular program by the end of next year.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Ohio [Mr. HAYS].

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 50, noes 119.

So the preferential motion was rejected.

Mr. QUIE. Mr. Chairman, I rise in support of the Roosevelt amendment.

Mr. Chairman, I would like to ask the gentleman from California [Mr. ROOSEVELT] a question, if he would answer it, on his amendment.

When you state in the amendment that the farmer, in order to be able to hire braceros, must have hired such workers in previous years, do you mean the identical workers who were there previously, or are you, in talking about "such workers," talking about braceros in general and the whole broad program?

Mr. ROOSEVELT. Let me make very clear here I am talking about braceros and not the individual workers.

Mr. QUIE. All right. Now, if the unanimous consent request of the gentleman from Missouri [Mr. JONES] were accepted, as long as a farmer had braceros in some previous year, he could hire them in this coming year even though his crop froze out last year and he didn't hire braceros last year. Is that correct? He could still hire braceros in the coming year?

Mr. ROOSEVELT. If they satisfy the Secretary that it is the only way they could continue their operation.

Mr. QUIE. But there would be no possibility for a farmer to buy additional farms and hire braceros on those additional farms if they had no braceros working on them in previous years?

Mr. ROOSEVELT. The gentleman is correct. I am glad he is making that legislative history.

Mr. QUIE. I thank the gentleman for that.

I rise in support of the Roosevelt amendment. I think this makes very clear what many of us have been led to understand, which is that it is only in the case when domestic workers are unable to be secured from any place that a bracero can come in and work on a farm. As I understand it, if there are domestic workers available, the braceros must stand by before they can ever find a job. I plan on voting for this 1-year extension of Public Law 78; but I think it is very important that this amendment be included in the bill when we extend the law so that those of us who are very lukewarm about this program and want to phase it out this coming year will know it will come to an end, because farmers must make plans to find the workers themselves then.

I thank the gentleman for offering such an amendment. This is the last time I will vote for an extension of Public Law 78 and this amendment is a worthwhile addition.

Mr. COOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to make an observation about the pending amendment. I think it is unfortunate that the gentleman did not present the amendment to the subcommittee and the full committee when this matter was being considered. I am inclined to go along with the amendment, but frankly I question the constitutionality of the amendment. I think Federal law should fall evenly and uniformly upon all citizens. If this amendment is to be adopted, as has been pointed out, it would make it impossible for any citizen of the United States to buy a farm and employ braceros on that farm, because this amendment would preclude that and make it unlawful. In this situation you would put the Secretary of Labor in the position of administering a Federal program for the benefit of a selected number of citizens who have in the past used braceros. If they have used them in the past, they can use them in the future. If they have not used them in the past, they cannot use them in the future.

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

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. HAYS. Is the gentleman speaking against the Bass amendment or the Roosevelt amendment or both?

Mr. COOLEY. Both of them. I am against both of them.

Mr. HAYS. Mr. Chairman, will the gentleman yield for another question?

Mr. COOLEY. I yield.

Mr. HAYS. If the Roosevelt amendment does not pass then it will be possible for somebody to import Mexican labor to grow cotton, which is in surplus, and on which the Government is paying a subsidy and selling to foreign consumers for less than it pays for it—it will be possible for them to import Mexican labor to do that. That would be theoretically possible, if the Roosevelt amendment did not pass, is that so?

Mr. COOLEY. Theoretically possible, yes.

Mr. HAYS. Well, it could happen, could it not?

Mr. COOLEY. Certainly it could happen. But I remind the gentleman that cotton is produced under acreage allotments and the acreage is controlled. I agree with the gentleman from Texas [Mr. POAGE] with reference to the Bass amendment, and with the gentleman from California that it would be devastating to the whole program. I think the Roosevelt amendment, while it would not be devastating to the program, there is a serious question in my mind as to whether or not it is constitutional.

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

Mr. COOLEY. I yield.

Mr. ROOSEVELT. I want to say to the gentleman that I have discussed this with various legal authorities and they tell me that it is constitutional; that there is good precedent for it in such actions as the mine safety bill and others of that kind. From what I have been told, it would not be unconstitutional.

Mr. COOLEY. Mr. Chairman, I want to conclude my remarks by expressing the hope that we will defeat the Bass amendment. I also hope that the Roosevelt amendment will be defeated. We need only to pass the bill as reported by

our committee which, as you know, provides for an extension of the program which has operated successfully and well in the past. If the program is discontinued we will go back to the old days of "wetbacks." Mexicans desiring to work on American farms will rush across the border and will be exploited as they were exploited before the program was provided. At this season of the year a Mexican worker would not have to be a good swimmer. He could actually wade across the Rio Grande. When we do away with this program we will be forced to spend millions of dollars apprehending Mexicans who have illegally entered our country and we will have to return them to Mexico. Officials of our Government and officials of the Republic of Mexico regard this program as of great importance. I, therefore, urge the defeat of all amendments to our bill. When final action is taken I will call up the Senate bill and move to strike out everything after the enacting clause and insert the provisions of the bill now under consideration.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am afraid that a good deal of the discussion on this highly emotional issue has not been on the central point. The real central point involved here is what kind of agriculture are we going to have in the future? Are we going to have family-type farming or factory-type farming? I think the factory-type farm is both inefficient and socially undesirable. It was Karl Marx who a little over a hundred years ago said that the family-type farm would soon disappear. Fifty or 60 years later, the Communists took over in Russia and they have tried the factory-type farm. It has not worked. It has been inefficient in addition to being socially undesirable.

The old plantation could not survive the abolition of slavery in this country, and many of the people who use the braceros are admitting today that they cannot survive the abolition of the bracero program. I think it is an undesirable program and that we should stop it; but, at the same time I think it is just not fair to say that it ought to be stopped in 60 days. These producers have put in their crops or proceeded with plans based upon the actions of this Congress for at least 10 years. They have gone forward on the assumption that this program would be continued for another year.

The real question we have involved here is whether or not we are going to have an efficient agriculture. To have an efficient agriculture, agricultural producers must have a flexible labor supply. In the family-type farm, at a peak demand for labor, the family can produce 8 or 10 man-days of labor per day.

The farmer will work two shifts himself and twice as hard as a hired man will. The rest of the family on a short-term basis will provide several additional man-days of labor. Although the average workweek on a family farm may be 60 hours per week, the whole family is available when seasonal demands increase. On the other hand, the factory-type farm would be unable to keep these people on the payroll the whole year in order to have them at the peak season or to pay a sufficient annual salary to have them available and if they did it would be most inefficient. One cannot expect them to come out of the bushes just when they are needed. The factory-type farm is an inefficient type of operation and should not survive. When this program stops, many of these large producers and processors can obtain their produce through leases with family-type farmers, breaking down factory-type operations into a number of more efficient family-type units or mechanize.

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

Mr. SMITH of Iowa. I yield to the gentleman.

Mr. HAYS. I think the only sensible argument that has been made here today is the one that the gentleman has made, that these people ought to have some notification of the discontinuation of the program. I have heard it said that if the program is not continued they would come in illegally, so that we ought to legalize it. In other words, if we have bank robbers, to keep them from operating illegally, we ought to legalize them. That argument does not hold water. The gentleman's argument does hold water.

My question to him is, Can he or anybody on the Committee on Agriculture give us any assurance that if this 1-year extension does pass these same people will not be back here next year with a bill, to extend it for another year, and then another year and then another year, and so on ad infinitum?

Mr. SMITH of Iowa. Of course, I cannot give that assurance. I had a substitute that I was going to offer providing for a 2-year phaseout program. I think that is reasonable. I do not think it can be done in 1 year. But I think it should be and must be done over a 2-year period.

Mr. HAYS. It is not going to be done as long as they can get an extension.

Mr. SMITH of Iowa. Unless we put it right in the bill, and that is what the Roosevelt amendment does.

It puts it right in the bill at the time we are passing the extension. So, there is full notification to everybody.

Mr. Chairman, another thing I want to say is that wage levels are really not what is involved here. If bracero labor worked for free, it would not reduce the price of lettuce or most perishables of that nature. But if we have a shortage of lettuce next year at harvesttime, the price will go up. Reductions in price are seldom obtained from reduced cost because it is supply that determines price, and prices will surely go up if a shortage of harvesters causes a shortage of vegetables on the market next year.

Mr. Chairman, I am going to vote against this bill unless the Roosevelt amendment is adopted, because I think the only way we can get this thing stopped and our sights reoriented is to vote against it unless there is a formula right in the bill to this effect.

Mr. Chairman, I urge the Members of the Committee to support the amendment and correct this situation.

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

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. MAHON. Would the gentleman vote against the Bass amendment which chops the program off for a considerable number of those who have used it in the past?

Mr. SMITH of Iowa. I do not think the question involved has anything to do with what kind of crop it is for next year, because, after all, the producers who put in cotton put it in under the same assurance, under Federal legislation, as any other farmer puts in any other crop.

Mr. MAHON. If the gentleman will yield further, the Bass amendment, if it is adopted, will chop off the program for certain producers. In my opinion it would destroy the program.

Mr. SMITH of Iowa. I am not for the program. But I do not think it is fair to discriminate between cotton farmers and other farmers next year.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. OLSON of Minnesota. Were these employers who are users of braceros given notice 5 months ago?

Mr. SMITH of Iowa. No, I don't think they have been given notice. The only effective notice is that notice which is given by the action of Congress in the laws which it passes. We have never enacted a law which said we would not extend this program.

Mr. OLSON of Minnesota. What was it?

Mr. SMITH of Iowa. We had a vote in the House of Representatives but the Senate did not pass that bill. If you say that constitutes notice, you can say that the Senate gave them notice it would be extended when they passed an extension. They have always been given notice or indications that they will have it for another year because we extend it by simple extensions. But we never did pass a bill with a definite formula for termination such as the one which has been proposed in the Roosevelt amendment. I urge the adoption of the Roosevelt amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate close on the pending amendment and all amendments thereto in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. ROSENTHAL. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on this amendment and all the amendments thereto close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS] for 1½ minutes.

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

Mr. HAYS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I yield my time of 1½ minutes to the gen-

tleman from North Carolina, the chairman of the Committee on Agriculture.

Mr. HAYS. Mr. Chairman, I think the crux of the matter here has been exhibited when nobody on the Agriculture Committee, neither the chairman nor the ranking member, would get up and say if this bill passes with or without the Roosevelt amendment for a year's extension that they will not be for another year's extension. Else, they will be back again and again. The very fact that they did not get up and say that they will not be back is sufficient notice that they will be back.

Mr. Chairman, we killed this bill once before in the House of Representatives. But they are adroit, they are hardworking and persistent, and here they are. In May we killed it. Mr. Chairman, it is a little like the "September Song." If we had finished our business before September, we would never have come back on this bill. It is too bad that we did not.

Mr. Chairman, I think we ought to be guided by the fact that they are going to be back next year. They admit it by refusing to say they will not.

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

Mr. HAYS. I yield to the gentleman.

Mr. LEGGETT. Is the gentleman from Ohio cognizant of the fact that there was participation in this program to the extent of 450,000 3 years ago and that it was down to 195,000 last year?

Mr. HAYS. I am aware of that, and I heard the gentleman get extension after extension and argue for this bill. The longer I listened to him the more I became convinced that if his conscience is as twisted as his logic he is in bad shape.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, the Government-sponsored program to import foreign agricultural workers runs contrary to our national needs and interests.

If there were a labor shortage in the United States those programs could be justified. But there is no labor shortage in the United States. On the contrary, unemployment in the United States remains a serious and unresolved problem.

The total unemployed in the United States at the end of September 1963 was 3,516,000. Significantly, the total unemployed at the end of September 1962 was 3,512,000, reflecting an insignificant drop of 4,000 unemployed workers during the course of 1 year.

Looking at these unemployment trends in the United States, it is fair to ask who can justify the importation of not less than 200,000 foreign agricultural workers from Mexico into the United States each year?

The argument has been advanced that these imported workers fill jobs the unemployed citizens of our country will not take. I challenge that argument.

Hearings before our Subcommittee on Immigration and Nationality on this subject revealed that the U.S. Employment Service is required to certify the unavailability of domestic workers before these imported workers may be used.

The procedure involved in determining the unavailability of domestic workers is very questionable. In the main it consists of a canvass of USES offices locally, and on a State and regional basis, to determine whether any domestic agricultural workers are seeking employment. An operation of this type can become very routine, particularly where action is required to persuade such domestic workers to move from one labor market area to a new one. I underscore the phrase persuade because there are no inducements offered, such as those provided for imported foreign workers. It is important to note in this connection that imported foreign workers are at least protected by a contract which guarantees a minimum hourly wage of $1, shelter and maintenance, free transportation to and from their place of employment and exemption from paying either State or Federal taxes on their earnings in the United States. Such inducements are not offered to our domestic farm workers, and worse, they are frequently working side by side with imported workers while receiving 60 to 75 cents per hour for their labors.

The bracero program is heavily subsidized by the U.S. Government. Over the past 5½ years subsidy programs for imported Mexican workers have cost the American taxpayers approximately $30 million.

This is subsidized discrimination aginst our domestic agricultural workers.

It is little wonder that President Kennedy, when signing the 1961 extension of Public Law 78, took note of the adverse effect of imported farmworkers on our domestic agricultural work force. The adverse-effect rates of pay established as a consequence of the President's concern have not solved the basic issue involved. The basic issue remains the same as it was in 1961—how can we justify the importation of foreign labor when our country is faced with the problem of acute and chronic unemployment?

It is time concerted attention was given by the Government to linking up the needs of unemployed youth in our cities and metropolitan centers with the labor requirements of our agricultural economy. Alarm has been expressed about the growing rate of delinquency and crime in our urban centers. Much of this trend is traced to unemployment of our youth and little hope of finding work for unskilled youth and school dropouts. There is no escaping the fact that youth with idle hands and minds are tempted into unhealthy behavior patterns and habits. Agricultural work is a healthy enterprise and it could be made attractive for our unemployed youth. With a little imagination, a real spirit of adventure, a pioneer spirit of moving toward New Frontiers could be built into this proposed program. It should be a part of our national youth fitness program because it is a natural for the development of strong, healthy citizens.

I hope the administration will give this opportunity the support it merits.

To extend the Mexican farm labor program for another year is to delay for another year in facing up to the basic issue. Our country cannot afford such a delay. We must face that issue now. The unemployed in our country can meet the needs of our agricultural economy and it is up to the Department of Labor to take such steps as are necessary to effectuate such a program.

I urge a vote against extension of the Mexican farm labor program.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MARTIN].

Mr. MARTIN of California. Mr. Chairman, with all due respect to my colleague the gentleman from California [Mr. ROOSEVELT], his amendment is playing with fire. We are talking about individuals here. There has been no evidence adduced before this committee to know which individuals you are talking about.

It appears to me that you have ignored the one main issue—that is, if you believe this program should be extended, it is manifestly unfair not to extend it to all citizens alike. We do not know who this will be applied to, and I say all citizens should have access to this program should the committee see fit to extend it.

I respectfully request of my colleagues that we get down to the business of deciding whether we ought to extend the program or not. I respectfully request all of you to seriously consider voting against the Roosevelt amendment and the amendment offered by the gentleman from Tennessee [Mr. BASS].

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the issue before the House is whether or not we shall extend the bracero law for 1 year. The bracero law is administered by the Department of Labor. An effort has been made here to compromise by the gentleman from California [Mr. ROOSEVELT] and others. The gentleman from Tennessee [Mr. BASS] has offered an amendment which would discriminate against certain crops which he says might be in surplus supply. This would discriminate against people in certain areas, and it would rob the Department of Labor of flexibility in administering the program. It would be a rank injustice to many farmers and producers in certain areas, certainly in my area. I hope that the Members of the House, regardless of how they vote on final passage of the bill will vote down the Bass amendment, and we will then have a clearcut decision on whether or not we will extend this program for 1 year.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, morality cannot be weighed on the scale of expediency. In May we voted this bill down on the ground of sound economy and sound morals. Nothing has happened. It is the same evil bill, and we are asked to pass it on the argument that while stealing is wrong the repentant should be given another year to become accustomed to the ways of rectitude. It is well that this is the eve of Halloween. If the bill should pass,

this day will be imprinted in my memory as the Halloween of the stolen pumpkin.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CORMAN].

Mr. CORMAN. Mr. Chairman, when the Members get through hearing the California liberals here today, they will know we are not a monolithic group.

I am opposed to the amendment and I am opposed to the bill. I have difficulty swallowing it whether you say to the farmer, "You can have this program only 1 more year," or you say to him, "You cannot have it any more except for 1 more year."

I do not believe there was any indication in the committee that this is a 1-year extension. This is a 1-year breather so that they can come back and get it again next year, hopefully for 2 years, but if not that, then 1 more year. I hope the bill will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, I would like to make one or two observations.

I want the House to know that I am very much troubled by the amendment that is pending, because in my own heart there is nothing I would prefer more than to be able to support it. It seems to me that if we could really put together a program, as I have proposed with others in previous years, which would really end the program, I can assure you that I would support it. However, I want to call to your attention some of the difficulties that are involved in the amendment.

In the first place, the administration has pointed out that the bill in its present form they do not accept. The gentleman from California [Mr. ROOSEVELT] pointed out in colloquy with the gentleman from Hawaii [Mr. GILL], that any terms or conditions that are provided for the braceros would not apply under the terms of this phaseout to domestic workers. I think we still have the basic imbalance continuing. It seems to me that if that were the only thing we still might be able to rationalize it. But then there is the question of what happens when the bill goes to conference. I suggest that Mr. ROOSEVELT's amendment will probably be dropped in conference.

I have supported phaseout amendments in the past and would support this one if I really thought it would become law. I regret to say I do not think this will happen.

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

AMENDMENT OFFERED BY MR. ROSENTHAL

Mr. ROSENTHAL. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ROSENTHAL as a substitute for the amendment offered by Mr. ROOSEVELT: Strike out all after the enacting clause and insert in lieu thereof the following: "That clause (3) of section 503 of the Agricultural Act of 1949, as amended, is amended by striking out 'comparable to those offered to foreign workers' and inserting in lieu thereof ', including workmen's compensation or occupation insurance coverage, housing, transportation, and work period guarantee comparable to that provided foreign workers'.

"SEC. 2. Section 510 of such Act is amended by striking out 'December 31, 1963' and inserting in lieu thereof 'December 31, 1964'."

Mr. ABBITT. Mr. Chairman, I ask unanimous consent that the first section of the amendment be reread.

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

There was no objection.

The Clerk again read the first section of the amendment.

Mr. ABBITT. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. ABBITT. Mr. Chairman, I make a point of order against the amendment for two reasons.

Mr. Chairman, first, I make the point of order that the amendment to section 503 of Public Law 78 is not germane to H.R. 8195, on the basis that the amendment being offered to section 503 deals not with a proposition providing for Mexican farm labor, but rather with a proposition providing for domestic migratory labor, and is within the purview of the precedents set forth in sections 2953, 2954, and 2955 of volume 8, Cannon's Precedents.

Section 2953 states:

To a proposition providing for a class, a proposition providing for another related class is not germane. To a bill for the relief of dependents of men in the Regular Army an amendment proposing to extend the benefits of the act to dependents of men in the National Guard and the Reserve Corps was held not to be germane (Dec. 3, 1919).

Section 2954 states:

To a provision authorizing distribution through the Red Cross an amendment providing for distribution through the Salvation Army was held not germane (Mar. 3, 1932).

Section 2955 states:

To a bill providing for the erection of a statue of General von Steuben an amendment substituting a proposition for the erection of a statue of George Washington was held not to be germane (Feb. 10, 1910).

These precedents all point to a similar situation before the Committee today. Regular Army dependents, the Red Cross, General von Steuben, and Mexican laborers are all generally related to National Guard dependents, the Salvation Army, George Washington, and domestic farmworkers respectively, but none is germane to the other in legislation.

Public Law 78 is a law set up to deal with the importation of Mexicans into this country to work in the production of crops in the field, and it covers the contracting conditions and the working conditions that these workers are to be employed under as an agreement between the Government of the United States and the Government of Mexico.

Section 503 of the act deals with the conditions under which the Mexican laborer will be allowed to work. This requires that the imported labor not be allowed to work until the conditions of this section are met.

The proposed amendment should be considered in a separate bill covering working conditions of American workers, and should be considered by the Education and Labor Committee. The House will, in effect, if this amendment is held germane, be enacting legislation as an amendment to Public Law 78 that will have widespread effect on the domestic labor force.

Mr. Chairman, I therefore raise the point of order that the amendment, as offered to section 503, is a proposition providing for a related class and is not germane.

Mr. Chairman, I also make the point of order that the amendment to section 503 of the act is not germane to the bill, H.R. 8195.

The bill simply extends a program which deals with a class of farmworkers, in this case Mexican nationals. The amendment deals with an entirely different class of workers—U.S. citizens who are migratory farm laborers. The amendment is not in order and would change the entire concept of this program.

As precedent for this point of order I cite the CONGRESSIONAL RECORD of July 17, 1963, at pages 12777 and 12778 where I made a point of order against an amendment by the gentleman from Illinois [Mr. FINDLEY] to H.R. 101, a bill to extend for 2 years the definition of boiled peanuts.

At that time I stated as follows:

Mr. ABBITT. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ABBITT. Mr. Chairman, the bill simply deals with a class of peanuts. I make the point of order that the amendment is not germane. The bill simply deals with a class of peanuts. The amendment deals with an entirely difference class, and is not in order, as it would change the entire concept of the legislation as well as wipe out the peanut program. For that reason, the amendment is not germane to this bill that is before the House.

In response to my point of order the Chairman [Mr. FLYNT] ruled as follows:

The CHAIRMAN (Mr. FLYNT). The Chair is prepared to rule.

The gentleman from Illinois has offered an amendment to the pending bill. As a general rule, one individual proposition may not be amended by any other individual proposition, even though the two may belong to the same class.

The Chair quotes from volume 8, section 2948, the following:

"To a bill amendatory of one section of an existing law an amendment proposing further modification of the law was held not to be germane.

"On December 20, 1919, the Committee of the Whole House on the State of the Union was considering the bill (H.R. 11224) to amend section 1 of the act approved October 16, 1918, providing for deportation of alien anarchists.

"Mr. Benjamin F. Welty, of Ohio, offered an amendment proposing to add to the existing law a new section to be known as section 4.

"Mr. Albert Johnson, of Washington, made the point of order that the amendment while germane to the existing law was not germane to the pending bill."

Accordingly, the Chair sustains the point of order made by the gentleman from Virginia [Mr. ABBITT].

Mr. Chairman, the same procedural situation is at hand again. The proposed amendment is of an entirely different class.

Mr. FINDLEY. Mr. Chairman.

The CHAIRMAN. For what purpose does the gentleman from Illinois rise?

Mr. FINDLEY. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The gentleman is recognized.

Mr. FINDLEY. Mr. Chairman, I would like to cite for the consideration of the Chair the ruling of the Chair on July 17, 1963, as reported on page 12778 of the CONGRESSIONAL RECORD.

The bill before the committee on July 17, continued for 2 years a separate act which exempted boiled peanuts from marketing quotas.

The bill before us today would continue for 1 year a separate act establishing the Mexican farm labor program.

The amendment I offered to the peanut bill broadened the definition of peanuts. It was held not germane on this ground: To a bill amendatory of one section of an existing law an amendment proposing further modification of the law is not germane.

The amendment before the committee at this time, like my amendment on the peanut bill, proposes further modification of a different section or paragraph of the law.

The bill before us amends section 510. The amendment offered would amend section 503.

The peanut bill amended an act which had only one section, consisting of two paragraphs. The bill amended the second paragraph.

My amendment, which was ruled not germane, applied to the first paragraph.

Therefore, if the ruling of the Chair on July 17 was valid, then there can be no doubt that the amendment now before the Chair is not germane.

If the Chair rules that the pending amendment is germane, then I can see no other conclusion than that the Chair was in error in ruling that my amendment to the peanut bill was not germane.

The CHAIRMAN (Mr. NATCHER). The Chair is ready to rule.

Under the rule of germaneness, an act continuing and reenacting an existing law is subject to amendment modifying the provisions of the law carried in the act.

The Chair rules that the amendment is germane, and the point of order is overruled.

Mr. FINDLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. FINDLEY. Does it then follow, Mr. Chairman, that the basis for the ruling of the Chairman on my amendment to the peanut bill on July 17 was in error?

The CHAIRMAN. The Chair would inform the gentleman from Illinois that that ruling could not apply in this particular instance because it turned on a different question.

The gentleman from New York [Mr. ROSENTHAL] is recognized.

Mr. ROSENTHAL. Mr. Chairman, the amendment that I have offered substitutes the Senate bill for the House bill. It adds on certain conditions the Senate added on by virtue of amendment in that body as follows: to give to American farmworkers the same exact conditions and benefits that we give Mexican farmworkers.

I would like to take the time of the committee to read a letter dated October 30, 1963, from the Secretary of Labor to me. It reads as follows:

The administration has continued to maintain the position I indicated before the House Subcommittee on Equipment, Supplies, and Manpower of the Committee on Agriculture on March 27. We support a 1-year extension, provided the act is amended to require employers seeking to obtain Mexican workers to demonstrate that they have offered to domestic workers workmen's compensation or occupational insurance coverage, housing, and transportation expenses equivalent to that furnished Mexican workers.

We are opposed to an extension without these amendments.

That is my position, Mr. Chairman. If these amendments are adopted and we are willing to give American farmworkers the same privileges we give Mexican farmworkers, then I am agreeable and will urge an extension of this program for 1 year.

Mr. FOGARTY. Mr. Chairman, I rise in support of the Bass amendment. I cannot understand how anybody on the Republican side, who voted to cut out the farm bill that was passed this year, can vote for this kind of legislation. Already in 1962 the Government has purchased over $350 million worth of cotton. We have paid over $100 million for storage, and here we are today asking to bring in cheap foreign labor to produce the same results as we did in 1962 and 1963. This same kind of cheap labor is being used in the sugarbeet industry, and as a result of that we have the high cost of sugar in our country which can be attributed to this program that you are asking us to pass today. If we pass this program for another year, we are going to extend the old farm bill. We are going to pass on to the taxpayers of this country a bill of $1 billion that we are paying under the farm bill today in taxpayers' money. I thought this was supposed to be an economy-minded Congress, but with this kind of a cheap labor bill you are going to saddle the taxpayers with a debt they will never pay off. By voting for this bill you are voting to keep our migrant workers in bondage, and keep their wages, health, and housing standards frozen. This is slavery in every sense of the word.

We should be ashamed of ourselves for even considering this type of legislation so late in this session. God help the migrant workers of our country.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I shall not prolong the debate, but I want to move that these amendments be defeated. I think it is in the interest of the program to defeat all of these amendments and take this bill as presented by the House committee. The pending amendment offered by the gentleman from New York was thoroughly considered in the committee and was defeated by a vote of 28 to 4.

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

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

Mr. LEGGETT. I believe we thoroughly showed before the subcommittee that the amendments that have been acted on by the Senate had not been thoroughly considered by the Department of Labor and their function had been accomplished actually by existing regulations which have been published at the time of the Senate debate. They cannot tell us whether these amendments would require that we pay compensation in the form of housing allowance and transportation allowance to commuters and a whole host of other people that the farmers naturally work with. They are vague, and I am sure the author does not agree with the Department of Labor. There has been no adequate explanation of the amendment, and I ask that that particular amendment be defeated.

Mr. COOLEY. Mr. Chairman, I want to say further if you adopt this amendment, what you are doing actually is embarking on an entirely new program for 1964 which deals entirely with domestic workers. We have a program dealing with foreign workers, and now the gentleman from New York wants us to embark on another program dealing with these foreign workers. I ask for the defeat of this amendment.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Tennessee [Mr. BASS].

The question was taken; and on a division (demanded by Mr. BASS) there were—ayes 83, noes 139.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the substitute offered by the gentleman from New York [Mr. ROSENTHAL] to the amendment offered by the gentleman from California [Mr. ROOSEVELT].

The question was taken; and on a division (demanded by Mr. ROSENTHAL) there were—ayes 79, noes 131.

So the substitute was rejected.

The CHAIRMAN. Now the question recurs on the amendment offered by the gentleman from California [Mr. ROOSEVELT].

The question was taken; and on a division (demanded by Mr. ROOSEVELT) there were—ayes 89, noes 109.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BASS

Mr. BASS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS: On page 1, line 5, after "1964" strike out the quotation mark and the period and insert a colon and add the following: "*Provided*, That no worker under this act may be used in crops

that have acreage controls and are in surplus supply."

Mr. COOLEY. Mr. Chairman, I make the point of order that the amendment is not germane. It is identical to the amendment which was offered earlier and which was just defeated.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard?

Mr. BASS. Mr. Chairman, I would like to say to the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], that it is an amendment which is offered to the main bill. The other amendment was offered to the substitute. Now it is offered to the main bill.

The CHAIRMAN. The Chair would like to inform the gentleman from North Carolina that this is an amendment now offered to the bill.

Mr. COOLEY. That is right, Mr. Chairman, but the other one was an amendment to an amendment to the bill. So what is the difference?

The CHAIRMAN. Under the rules of the House the gentleman from Tennessee may now offer his amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman from Tennessee yield for a unanimous-consent request?

Mr. BASS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BASS. Now, Mr. Chairman, this amendment is very similar to the one I offered previously. It is a little bit different because this time, since there was some discussion about the question of what a surplus commodity was, this time I included the term "acreage allotments" so there could be no question about this amendment at all.

In other words, if we have acreage allotments and if the commodity is in surplus, these workers cannot be used.

Mr. Chairman, I want to point out to my friends on the Republican side of the aisle that I observed when they voted on my amendment a while ago they did not stick to this old economy line that they have followed. However, I could be wrong. My eyes are good and I did not observe a single Republican voting for this economy amendment.

Mr. Chairman, what is proposed to be done through this amendment is to stop importing foreign labor to produce crops and put them in the warehouses on which to pay storage prices. Also, it stops importing labor to produce crops on which we are paying 8 cents a pound subsidy for the benefit of the foreign importers. In other words, a man can buy cotton in the U.S. market, if he lives in Japan, at 8 cents a pound cheaper than a textile manufacturer can buy it in the United States.

If you oppose this amendment you are voting to pay a subsidy for a crop that is being raised and harvested by farmers who are being imported from a foreign nation. This is nothing but simple wastefulness. It is throwing money down the drain.

If you have any serious intention of trying to save money you will stop importing labor to produce crops that my farmers in Tennessee cannot get acres to produce them, that are being put into warehouses and the Government paying $1 billion a year storage.

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

Mr. BASS. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, I must say I am a little surprised at the gentleman undertaking to lecture this side of the aisle.

Mr. BASS. I want you to join me.

Mr. HALLECK. Let me point out that the 8.5-cent subsidy could be corrected by a stroke of the pen of the Secretary of Agriculture if the Kennedy administration would see fit to do it.

Mr. BASS. I disagree with the gentleman. It could be corrected by a bill that is now before the Rules Committee. If the five Republican members on the committe would vote for it we could get the bill on the floor next week.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

The question was taken; and on a division (demanded by Mr. BASS, there were—ayes 95, noes 134.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending bill and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, one of the sad things I see developing in the Congress, since we have been in session so long this year, is the wedge which is being driven between those who might be termed consumers and those engaged in agriculture. It has been my privilege for 12 to 15 years that I have been a Member of this House to preside over the subcommittee handling the overall agricultural appropriation bill. Mr. Chairman, where else in the world will we find 8 percent of the people who can and do provide food for the other 92 percent so they, in turn, can produce television sets, radios, automobiles, air conditioning, and everything else, as we do in the United States?

Mr. Chairman, we have laws for industry, labor and agriculture. This law affects all. We must continue this law enabling some farmers to harvest their crops for another year. It does not affect my district any more than it does yours, for we do not use any braceros in my area or my State. But involved here is the question of whether the 92 percent want to upset the ability of that 8 percent, and thereby themselves, to produce the food and fiber for a nation that pays for it a smaller percentage of its income than any nation ever did before. Involved is not the matter of price-supported commodities or nonsupported commodities, for again, perishables have the best price support of all. May I say to those from the fruit belt, or the vegetable people, do not be "holier than thou," for you have the best price support ever conceived. You have a program where section 32 funds—30 percent of import duties—are used to buy up your surpluses, and you then get your price at the marketplace. Believe me, the storable commodity group would like to trade places with you. Really, the basic commodities, where some can be stored for 50 years, must be treated differently from perishables. Where there is an oversupply, one year will not be in the way of the next year's crop. Involved here is how are we going to harvest some crops, some years, for all of us.

In my State, a few years ago after World War II, we brought into that area some Slavic people from central Europe. I asked one man how it was working out. He said, "It has been bad. It is setting a bad example for the home people." He said, "These folks will work."

We have millions of Americans who just would not do this kind of work, whatever the pay.

You know that with many of these crops, perishable crops particularly, you have to gather the crop when it is ripe. If you do not it is gone, and if it is gone and you create just a little shortage, prices go up tremendously. If your Government had not had a frozen citrus program, the price of oranges would have gone out of sight when we had the freeze last year. A little surplus or a little shortage can double or reduce prices to consumers by 100 percent. For instance, if you have seven units of a commodity and eight men are trying to get that seven, they will run the price sky high. The records prove that. On the other hand, if you have eight units which must be sold and only seven buyers, the eighth man who must sell will break the price for all.

There are a whole lot of complexities in this farm program we have. It is absolutely essential that we maintain a balance in income between industry, agriculture, and labor. I recognize that the Government pays out lots of money trying to keep things in balance in agriculture, by buying up surpluses for perishables when the market is depressed and releasing shortages when necessary so as to shore up prices, and by loans on storables—basics. I also recognize that when you have minimum wages and the bargaining rights of the labor unions, they, too, increase their take of the consumer's—taxpayer's—dollars. The difference is that their increased take is passed on to the consumer through the retail price paid by all of us.

So we are all, or at least most of us are, trying to keep a proper balance. The farmer's share shows more than that of labor and industry where labor costs and markup are passed on as an unidentifiable part of the retail price.

Here is the point. When a man has a crop and it is ripe, and he cannot get labor to harvest it, it is lost—both for

him and the consumer. He may go out of business, along with others, then where are the consumers—who are not farmers and who live in our cities—going to be? I believe, by all means, you should extend this law for 1 year. At least you give to the Secretary of Labor time to try to bring forward some plan where surplus labor in one area of the United States may be available to gather the crops in these labor shortage areas where they have their crops and no labor there to harvest them.

So I say again, involved in this is not a case of importing labor as such; involved is a means to protect the food supply in the perishable field where shortages will make many of these commodities unavailable to your city consumers and to prevent the tremendous competition resulting in greatly increased prices for the rich, who can buy regardless of price. Believe me, if you do not extend this law 1 year, you easily could have a shortage and skyrocketing prices. Most Americans will not do this kind of work no matter what the pay. As a lawyer, I am convinced this is not something you are doing for the producers as such; it is an action necessary to maintain reasonable prices for food and clothing for your consumers.

I trust and hope you will help us keep it, so 8 percent can give our remaining 92 percent the finest, cheapest, and most plentiful food any nation ever enjoyed.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8195) to amend section 510 of title V of the Agricultural Act of 1949, as amended, pursuant to House Resolution 544, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

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

Mr. KYL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KYL. The gentleman is opposed to the bill, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KYL moves to recommit the bill, H.R. 8195, to the Committee on Agriculture.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ROSENTHAL. Mr. Speaker, on this vote I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 160; answered "present" 6, not voting 94, as follows:

[Roll No. 189]

YEAS—173

Abbitt	Frelinghuysen	Morris
Albert	Friedel	Morton
Alger	Fulton, Pa.	Moss
Anderson	Gary	Nelsen
Andrews, Ala.	Gathings	Norblad
Andrews, N. Dak.	Goodell	Passman
Arends	Goodling	Patman
Aspinall	Griffin	Pillion
Avery	Gross	Poage
Baldwin	Gubser	Poff
Barry	Gurney	Pool
Battin	Hagen, Calif.	Purcell
Beermann	Haley	Quie
Belcher	Hall	Reifel
Bell	Halleck	Rhodes, Ariz.
Berry	Hanna	Rivers, S.C.
Betts	Hardy	Rogers, Fla.
Bolton, Frances P.	Harrison	Rogers, Tex.
Brock	Harsha	Rumsfeld
Bromwell	Harvey, Ind.	Schadeberg
Broomfield	Harvey, Mich.	Schneebeli
Brotzman	Hemphill	Schwengel
Brown, Ohio	Henderson	Selden
Broyhill, N.C.	Hoeven	Sheppard
Broyhill, Va.	Hosmer	Short
Burleson	Hutchinson	Sisk
Casey	Jarman	Smith, Calif.
Cederberg	Jensen	Smith, Va.
Chamberlain	Johansen	Springer
Chelf	Johnson, Calif.	Staebler
Chenoweth	Jonas	Steed
Clausen, Don H.	Jones, Ala.	Stephens
Clawson, Del	Jones, Mo.	Stubblefield
Collier	Keith	Taft
Colmer	Kilgore	Talcott
Cooley	King, N.Y.	Teague, Calif.
Corbett	Knox	Teague, Tex.
Cramer	Laird	Thompson, Tex.
Curtis	Landrum	Thomson, Wis.
Dague	Langen	Trimble
Davis, Ga.	Latta	Tuck
Davis, Tenn.	Leggett	Udall
Derwinski	Lipscomb	Utt
Dole	Lloyd	Van Deerlin
Dorn	Long, Md.	Van Pelt
Downing	McCulloch	Vinson
Duncan	McDade	Waggonner
Ellsworth	McFall	Weaver
Everett	McIntire	Whalley
Fascell	McLoskey	Wharton
Findley	McMillan	Whitener
Fisher	Mahon	Whitten
Flynt	Mailliard	Wickersham
Ford	Marsh	Widnall
Foreman	Martin, Calif.	Williams
Fountain	Martin, Mass.	Willis
	Matthews	Wilson, Bob
	Meader	Younger
	Minshall	

NAYS—160

Addabbo	Dingell	Joelson
Ashley	Dulski	Johnson, Wis.
Barrett	Dwyer	Karsten
Bass	Edwards	Kastenmeier
Bates	Evins	Kee
Beckworth	Farbstein	King, Calif.
Bennett, Fla.	Feighan	Kirwan
Bennett, Mich.	Finnegan	Kunkel
Blatnik	Fino	Kyl
Boggs	Flood	Lankford
Boland	Fogarty	Libonati
Bolton, Oliver P.	Fraser	Lindsay
Brademas	Fulton, Tenn.	McClory
Bray	Giaimo	McDowell
Brooks	Gibbons	Madden
Burke	Gilbert	Mathias
Burkhalter	Gill	Matsunaga
Byrne, Pa.	Glenn	Michel
Cahill	Gonzalez	Milliken
Cannon	Gray	Minish
Carey	Green, Oreg.	Monagan
Clancy	Green, Pa.	Montoya
Clark	Grover	Moore
Cleveland	Halpern	Moorhead
Cohelan	Hansen	Morgan
Conte	Hawkins	Morrison
Corman	Hays	Morse
Cunningham	Healey	Mosher
Curtin	Hechler	Murphy, Ill.
Daddario	Holifield	Murphy, N.Y.
Delaney	Holland	Natcher
Dent	Horton	Nedzi
Denton	Huddleston	Nix
Devine	Hull	O'Brien, N.Y.
Diggs	Ichord	O'Hara, Ill.
	Jennings	O'Konski
Olsen, Mont.	Rodino	Sickles
Olson, Minn.	Rogers, Colo.	Slack
O'Neill	Rooney, N.Y.	Smith, Iowa
Osmers	Rooney, Pa.	Staggers
Ostertag	Roosevelt	Stratton
Patten	Rosenthal	Sullivan
Perkins	Rostenkowski	Thomas
Philbin	Roudebush	Toll
Pike	Roush	Tupper
Powell	Roybal	Tuten
Price	Ryan, N.Y.	Vanik
Pucinski	St. George	Wallhauser
Quillen	St Germain	Weltner
Reid, N.Y.	Saylor	Wilson, Charles H.
Reuss	Schweiker	Wilson, Ind.
Rich	Secrest	Young
Rivers, Alaska	Senner	Zablocki
Robison	Sibal	

ANSWERED "PRESENT"—6

Becker	Brown, Calif.	O'Hara, Mich.
Bow	Derounian	Wright

NOT VOTING—94

Abele	Harding	Rhodes, Pa.
Abernethy	Harris	Riehlman
Adair	Hébert	Roberts, Ala.
Ashbrook	Herlong	Roberts, Tex.
Ashmore	Hoffman	Ryan, Mich.
Auchincloss	Horan	St. Onge
Ayres	Karth	Schenck
Baker	Kelly	Scott
Baring	Keogh	Shelley
Bolling	Kilburn	Shipley
Bonner	Kluczynski	Shriver
Bruce	Kornegay	Sikes
Buckley	Lennon	Siler
Burton	Lesinski	Skubitz
Byrnes, Wis.	Long, La.	Snyder
Cameron	Macdonald	Stafford
Celler	MacGregor	Stinson
Daniels	Martin, Nebr.	Taylor
Dawson	May	Thompson, La.
Donohue	Miller, Calif.	Thompson, N.J.
Dowdy	Miller, N.Y.	Thornberry
Edmondson	Mills	Tollefson
Elliott	Multer	Ullman
Fallon	Murray	Watson
Forrester	O'Brien, Ill.	Watts
Fuqua	Pelly	Westland
Gallagher	Pepper	White
Garmatz	Pilcher	Winstead
Grabowski	Pirnie	Wydler
Grant	Rains	Wyman
Griffiths	Randall	
Hagan, Ga.	Reid, Ill.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mrs. May for, with Mr. Bow against.

Mr. Hoffman for, with Mr. Becker against.

Mr. Kilburn for, with Mr. Hébert against.

Mr. Burton for, with Mr. Brown of California against.

Mr. Byrnes of Wisconsin for, with Mr. Derounian against.

Mr. O'Hara of Michigan for, with Mr. Thompson of New Jersey against.

Mr. Watts for, with Mr. Keogh against.

Mr. Harding for, with Mr. Shelley against.

Mr. Ashmore for, with Mr. St. Onge against.

Mr. Winstead for, with Mr. Multer against.

Mr. Abernethy for, with Mr. Donohue against.

Mr. Sikes for, with Mrs. Kelly against.

Mr. Auchincloss for, with Mr. Garmatz against.

Mr. Taylor for, with Mr. Rains against.

Mr. Dowdy for, with Mrs. Griffiths against.

Mr. Edmondson for, with Mr. Shipley against.

Mr. Fuqua for, with Mr. Elliott against.

Mr. Scott for, with Mr. Fallon against.

Mr. Roberts of Texas for, with Mr. Daniels against.

Mr. Wright for, with Mr. Bolling against.

Mr. Adair for, with Mr. Pelly against.

Mr. Shriver for, with Mr. Riehlman against.

Mr. MacGregor for, with Mr. Wydler against.

Mr. Skubitz for, with Mr. Pirnie against.

Mr. Westland for, with Mr. Baker against.

Mrs. Reid of Illinois for, with Mr. Siler against.

Mr. Wyman for, with Mr. Snyder against.
Mr. Horan for, with Mr. Stafford against.
Mr. Martin of Nebraska for, with Mr. Miller of New York against.
Mr. Schenck for, with Mr. Celler against.
Mr. Ayres for, with Mr. Grabowski against.
Mr. Ullman for, with Mr. Thompson of Louisiana against.
Mr. Pilcher for, with Mr. Ryan of Michigan against.
Mr. Herlong for, with Mr. Gallagher against.
Mr. Harris for, with Mr. Buckley against.
Mr. Long of Louisiana for, with Mr. Karth against.
Mr. Thornberry for, with Mr. Macdonald against.
Mr. Forrester for, with Mr. Randall against.
Mr. Murray for, with Mr. Watson against.
Mr. Bonner for, with Mr. Kluczynski against.

Until further notice:

Mr. Cameron with Mr. Bruce.
Mr. Lesinski with Mr. Abele.
Mr. Bolling with Mr. Tollefson.
Mr. White with Mr. Stinson.
Mr. Dawson with Mr. O'Brien of Illinois.
Mr. Pepper with Mr. Grant.
Mr. Roberts of Alabama with Mr. Kornegay.
Mr. Mills with Mr. Lennon.

Mr. BROWN of California. Mr. Speaker, I have a live pair with the gentleman from Utah [Mr. BURTON]. Had he been present he would have voted "yea." I voted "nay." I therefore withdraw my vote and vote "present."

Mr. O'HARA of Michigan. Mr. Speaker, I have a live pair with the gentleman from New Jersey [Mr. THOMPSON]. Had he been present he would have voted "nay." I voted "yea." I withdraw my vote and ask to be recorded as "present."

Mr. WRIGHT. Mr. Speaker, I have a live pair with the gentleman from Missouri [Mr. BOLLING]. Had he been present he would have voted "nay." I voted "yea." Therefore I withdraw my vote and ask to be recorded as "present."

Mr. DEROUNIAN. Mr. Speaker, I have a live pair with the gentleman from Wisconsin [Mr. BYRNES]. Had he been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. BOW. Mr. Speaker, I have a live pair with the gentlewoman from Washington [Mrs. MAY]. I am recorded as voting "nay." If she were present she would have voted "yea." I withdraw my vote and vote "present."

Mr. BECKER. Mr. Speaker, on this vote I am recorded as voting "nay." I have a live pair with the gentleman from Illinois [Mr. HOFFMAN]. If he were present he would have voted "yea." I withdraw my vote of "nay" and request to be recorded as "present."

The result of the vote was announced as above recorded.

The SPEAKER. Pursuant to the provisions of House Resolution 544, the Committee on Agriculture is discharged from further consideration of the bill S. 1703 to amend title V of the Agricultural Act of 1949, as amended, and for other purposes.

The Clerk will report the title of the bill.

The Clerk read the title of the bill.

Mr. COOLEY. Mr. Speaker, I move to strike out all after the enacting clause of the bill, S. 1703, and insert in lieu thereof the provision of the bill, H.R. 8195, just passed.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Strike out all after the enacting clause of S. 1703 and insert the provision contained in H.R. 8195 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 8195) was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill, H.R. 8195, just passed.

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

There was no objection.

ORDERLY TRANSFER OF EXECUTIVE POWER

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4638) to promote the orderly transfer of the executive power in connection with the expiration of the term of office of a President and the inauguration of a new President, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. DAWSON, HOLIFIELD, FASCELL, ANDERSON, and HORTON.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6500) entitled "An act to authorize certain construction at military installations, and for other purposes."

The message also announced that the Secretary of the Senate requests the House of Representatives to return to the Senate the bill (H.R. 2985) entitled "An act to amend section 1391 of title 28 of the United States Code, relating to venue generally" together with all accompanying papers.

UNITED STATES STEEL PUTS PROFITS AHEAD OF PEOPLE

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. RYAN of New York. Mr. Speaker, yesterday's New York Times carried two stories—one of high corporate indifference, the other of high corporate profits. The statement of Roger Blough, chairman of the board of United States Steel Corp., that the corporation should not use its influence to improve racial conditions in strife-torn Birmingham is the epitome of corporate irresponsibility and callousness.

United States Steel willingly accepts all the benefits of our laws and Constitution which guarantee the rights of corporations and of private property, but refuses to accept its obligation to support the same laws and Constitution which also declare all men equal.

Apparently United States Steel sees its only responsibility is to make profits. Public welfare is not its concern. This callous attitude is a giant step backward by a giant corporation.

It is ironic that, in the same conference, Roger Blough reported a sharp increase in third quarter sales and earnings. Who is responsible for these profits? Roger Blough in his plush New York office did not bring this about by himself. Behind the profits are some 15,000 steelworkers in Birmingham, many of whom are Negroes, who mine the ore, melt the steel, cut it, shape it, and by their hard labor create the product with which the profits are made. These steelworkers and their families live in a town of terror—a town with segregated schools and bigoted police where our citizens are denied their constitutional rights. United States Steel says to these workers, "Give us your labor but do not expect us to be concerned with your lives or the lives of your children."

United States Steel also says to American society, "We will benefit from the advantages of American society and its economic system and its laws but do not expect us to share any responsibility for improving human relations in that society."

Even a schoolboy knows that citizenship has obligations as well as privileges. If all citizens, whether private or corporate, insisted on privileges while refusing obligations, our free democratic society would disintegrate.

Mr. Speaker, power without responsibility is tyranny. United States Steel's policy of inaction is in reality a policy of action. Birmingham and other southern cities are permitted to abuse Ameri-

can citizens and deny to them the right to live decently because the so-called respectable and responsible people and organizations remain silent. In the case of United States Steel this unconscionable silence in Birmingham is shocking. As a giant of industry, it has a moral obligation to speak out. In Birmingham, where it is the largest employer, this corporation could use its tremendous influence to bring about substantial and constructive change.

I urge all Members and all citizens to raise their voice in protest against this callous irresponsibility and indifference. It is time for United States Steel to put people ahead of profits.

REACTION TO SOVIET ANNOUNCEMENT

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

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

There was no objection.

Mr. ROUSH. Mr. Speaker, several days ago the Russian Premier announced the Soviet Union is dropping its plans to send a man to the moon. The immediate and continuing reaction in the United States to this announcement is both remarkable and disturbing.

Those who have questioned the value of a lunar landing goal now move forward to say we can reduce our space sights. They base this solely on the words of Mr. Khrushchev. Interestingly enough some of those who place credence in the Soviet leader's words on this occasion are the same who question the value of his words on other occasions.

The reaction to this announcement also is disturbing from another point of view. In many governmental announcements or pronouncements you sometimes discover that what is not said can be as important as what has been said. The critics of our space program apparently are not aware of this.

Let us look at Mr. Khrushchev's words. He said the Soviet Union at this present time believes it is impractical to send a manned flight to the moon. Consider those words at the present time.

Also consider what he did not say. Khrushchev did not say the Russians were abandoning plans to seek a rendezvous in space. He did not say they considered plans to build a space platform as impractical. He did not say they have dropped plans for an instrumentation landing on the moon. He did not say they were reducing their space exploration activities. He did not say they were not planning a manned orbital flight around the moon.

All of these projects are an integral part of any effort to produce a successful lunar landing. The mere landing itself is really just a measure of the progress toward the mastery of this element of outer space which surrounds us.

I suggest that these people who, because of the Russian announcement, suggest that the United States should now cut back on its space efforts are reacting exactly the way Khrushchev hopes our country to react.

It is no secret we have been trailing the Russians in several sectors of the space program. They were first to orbit a satellite. The first to send a man into orbit. The first to send two men into orbit at the same time and approach a rendezvous in space. The first to land an object on the moon, to photograph the hidden, back portion of the moon.

We also can boast of space accomplishments the Russians have yet to match. Now with an apparent slowdown in Red space activities we have a chance to forge ahead of them in practically all sectors of space exploration capability.

Is this then the time to relax our efforts?

The British Empire held the position of world leader for hundreds of years because it was able to attain and to maintain its position of dominance in the world's oceans and seas.

It was our ability to control the immediate airspace above us that played such a dominant role in the victory of the free world in World War II.

For our own safety and security we cannot afford to be the runner-up in the efforts to achieve the competence necessary to master outer space. Within the past 5 years we have leaped from the world of science fiction into the world of scientific fact.

Because of the apparent difficulties in the Communist economy we now have the opportunity to reach out into the world beyond our own globe whirling in space and to get there first. It will not be our policy upon attaining this accomplishment to deny the movements of other nations into this new sphere of activity. But who can deny the possibility that another nation achieving this dominance before us would use its knowledge and strength to maintain a monopoly of strength and thus dominate the entire world.

We must achieve this capability first and in doing so we will be grasping the leadership in the fields of science, space technology, and in the exploration of the universe.

This is not the time to relax our efforts. We have the resources and the knowledge to attain this goal. We must not lose our desire to attain it just because our chief opponent maintains it is impractical at this present time.

FEDERAL SALARY LEGISLATION

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

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

There was no objection.

Mr. UDALL. Mr. Speaker, before introducing Federal salary legislation earlier this month I was told that such an act would be political suicide, that the Congress simply could not increase top executive, judicial, and congressional salaries without bringing down the wrath of the Nation against those supporting such a proposal. I am happy to say that these dire predictions have thus far failed to materialize and that, in fact, every day brings new evidences of support from reasonable citizens, organizations, and newspapers across the country.

One of the most persistent and probing critics of the Congress through the years has been the columnist Drew Pearson, whose revelations and charges have ruined many a breakfast in this town. What is Mr. Pearson's opinion of salary increases for Congressmen? Here is what he said recently:

> While Congressmen shake in their boots when considering salary increases for themselves, many observers, including this writer, feel that a pay boost is overdue.

Detailing the salary and expenses of our colleague from Massachusetts [Mr. CONTE], Drew Pearson said:

> This busy Congressman nets less in actual take-home pay than many $11,000-a-year Government employees, though he is on the job almost around the clock.

Mr. Speaker, I have just had handed to me editorials in support of Federal pay legislation, including congressional salaries, published in the Chicago Daily News and the Chicago American. I include them at this point in the RECORD.

[From the Chicago Daily News, Oct. 3, 1963]

JUSTICE AND FEDERAL PAY

For about 1 percent of its annual outlay for moonshot rocketry, the U.S. Government can bring its whole top executive pay program into balance with private and local government levels throughout the country.

Clarence Randall, chairman of the Advisory Panel on Federal Salary Systems, sets the total cost at $20 million. Simple justice requires that Congress give his report the kind of serious and sympathetic heed it gave the military service pay bill.

An ironic aspect of that bill, providing well-deserved increases, is that it boosts the pay of all four-star generals and admirals above that of their bosses, the service Secretaries. The Cabinet officers are frozen at the $25,000 ceiling. The new pay rate of the Chief of Naval Operations, for example, is $32,607.

In general, the $25,000 ceiling prevails throughout the Government departments and agencies, with subordinate-level recompense scaling down from there.

In contrast, the Randall report cites these figures:

Twenty-eight positions in the city government of Los Angeles are paid salaries above those of Cabinet officers.

Five hundred and eleven principal administrative officers of colleges and universities receive $20,000 or more; 157 of these are paid more than $25,000.

The annual salaries of the presidents of the 12 Federal Reserve banks range from $32,500 to $70,000. But the Chairman of the Federal Reserve's Board of Governors, with policy jurisdiction over the whole system, receives only $20,500.

The contrast is even sharper, of course, with salaries at the top executive levels of private industry, where the Government must go to recruit its own executive talent.

Randall proposes that top salaries in the Government departments be raised to $50,000 for Cabinet Secretaries, scaling down to $30,000 for heads and board members of the

smaller agencies and deputy heads of larger agencies.

By these means it would accomplish two goals: Establish a sound progression from top career salaries to successively higher executive pay levels, and set executive salary levels commensurate with responsibilities.

We believe such a pay scale would produce benefits far exceeding the added costs. It would tend to keep able younger men in Government who would otherwise be attracted by greater prospective rewards into private life. And it would reduce to a more bearable level the sacrifices of able executives leaving private business.

The committee also recommends that Congressmen's salaries be boosted to $30,000 with added provision for several trips home per year. With Congress demanding virtually the full time of its Members, this is a sensible proposal.

[From the Chicago American, Oct. 26, 1963]

RAISE FOR FEDERAL JUDGES

A bill to increase salaries in a wide range of Federal posts, from district judges to Congressmen, Cabinet officers, and Supreme Court Justices, appears close to passage in the House. The sponsor is Representative MORRIS K. UDALL, Democrat of Arizona, who has risked a severe backlash from the voters by introducing such a bill—particularly in a session when Congress, if it were paid on a piecework basis, would go home broke.

UDALL's arguments in favor of the judicial raises, though, are not easy to dismiss. His bill would increase the salary of the Chief Justice of the Supreme Court from $35,000 to $50,000; the salaries of Associate Justices from $35,000 to $50,000; and those of Federal district court judges from $25,000 to $40,000. Other Federal judges would be granted comparable increases.

Like the other proposed raises, these are based on the findings of a commission on Federal salaries headed by Clarence Randall, though UDALL's version is a great deal more modest. (The Randall commission, for instance, proposed $60,000 for Supreme Court judges.)

The two proposed sets of pay raises are based on a principle of "comparability"—that is, Federal pay scales should at least approach those offered by private industry, so that the Federal Government will have a comparable chance at attracting and keeping able men.

In the case of Federal judges, the discrepancy is plain. They now hear cases involving vast sums, argued by attorneys who by and large make far more money than the judges do. Their decisions affect the public as a whole, and the country has an obvious interest in attracting the best brains and talent available to the Federal bench. We think a pay raise for the Federal judiciary is justified on practical grounds, as well as on grounds of simple fairness.

TRANS WORLD AIRLINES

Mr. HULL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include an article.

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

There was no objection.

Mr. HULL. Mr. Speaker, Trans World Airlines has long been a pioneer in blazing new trails of progress in the air transportation field and recently demonstrated its leadership again by giving its support to the American development of a supersonic transport.

TWA has committed $600,000 to the Federal Aviation Agency as initial payment on its order for six American-built supersonic aircraft and was the first domestic airline to thus express its confidence in American industry to develop an outstanding supersonic plane.

Time magazine recently called attention to TWA's farsighted action and under leave to extend I include the Time article:

SQUABBLE TO BE FIRST

Four phone calls were made from Washington last week to the presidents of the Nation's four leading airlines. On the line was Najeeb Halaby, who heads the Federal Aviation Agency and is the President's principal aviation adviser. Halaby was about to appear before a Senate hearing to argue the administration's case for a $60 million appropriation to get a U.S. supersonic jetliner program moving—and he needed some help. What about placing some orders, asked Halaby, even though the final design of the U.S. plane has not been decided on. U.S. airlines, though hitherto eager to order the Anglo-French Concorde supersonic because it promised to be first, made a show of confidence in the eventual success of the U.S. program by ordering 29 planes.

Each of the airlines that Halaby called seemed to get the idea that it would be the first to order a made-in-the-United States supersonic, and the result was an unseemly squabble. Trans World Airlines President Charles Tillinghast, was the first to announce that he had placed an order. But American Airlines President C. R. Smith, contended that he had telegraphed an order 4 days earlier, and Pan American's Juan Trippe, argued that he, too, had ordered planes before TWA. TWA, at least, was first to send along a check, as a $600,000 downpayment on six planes. Only later did Pan Am send a check and American offered to. The only one of the four airline executives who refused to join the scramble was United's Pat Patterson, who dismissed the whole thing as a lot of expensive publicity.

Despite the confusion, the airlines' response greatly strengthened Halaby's position before Oklahoma Democrat MIKE MONRONEY's Aviation Subcommittee, and brightened hopes that the Senate would quickly pass the $60 million appropriation recently approved by the House. After passage, the technical task of getting the U.S. supersonic program off the ground will fall to Halaby's hardnosed deputy, Gordon Bain, 54, a former vice president of Slick and Northwest Airlines. Under Bain, the FAA will select an airframe company and enginemaker to build a supersonic transport, then oversee the project until the planes are certified as airworthy and delivered to the airlines.

The belated U.S. drive for a supersonic is complicated by some questions about the economics of the plane. At the Senate hearings, Civil Aeronautics Board Chairman Alan S. Boyd, warned that supersonics may prove so costly to operate that they will force U.S. airlines back onto Government subsidy. But the hurry-up argument for building a supersonic jetliner comes from the belief that unless it develops its own, the United States will slowly and inevitably lose its aviation-design leadership to Europe.

NO. 24—NEW YORK: THE GAMBLERS PARADISE

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

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

There was no objection.

Mr. FINO. Mr. Speaker, for the past 2 months I have brought to the attention of this House the gambling operations in 23 States throughout the country.

Today, I would like to bring to the attention of this House, more particularly the congressional delegation from my own State of New York, the vast gambling activities in the Empire State. This is the last of a series of 24 States that allow parimutuel betting.

There is, beyond a doubt, more illicit gambling going on in New York State than in any other State in the Nation. New York is No. 1 in industrial progress, No. 1 in population, No. 1 as a financial center, and No. 1 in gambling operations. New York is the No. 1 gamblers paradise.

In 1962, the parimutuel turnover came to over $1,127 million from which the State of New York received more than $110 million in revenue.

New York has only begun to realize the vast profits that could accrue from a recognition of the fact that gambling is here to stay, however, and because New York will take no more than a hesitant half step, the crime syndicates continue to wallow in tremendous gambling profits. It should be obvious to everyone that New York fiddles while the crime syndicates feast.

New York's share of the national off-track betting estimates given to the McClellan committee hits the staggering level of over $4¼ billion annually—a sum equivalent to that spent yearly in our foreign aid program.

According to the State investigation commission which is currently engaged in an investigation of widespread gambling and corruption of Westchester County, off-track betting constitutes only 42 percent of the illegal gambling in New York.

On the basis of its estimates the total illegal gambling in New York can approach $10 billion a year—a tax-free monopoly for the gangsters and underworld crime syndicates. The State of New York certainly pays a mighty high price for official hypocrisy.

Of course, the crime syndicates do not keep the entire gambling turnover. Their profit is a mere 10 percent of the gross—about $1 billion a year lines the filthy pockets of the underworld. This is the chief source of revenue to the crime syndicates.

Unfortunately, Mr. Speaker, these American dollars subsidize the foulest forms of organized crime—thanks to the ostrichlike attitude of the mock moralists who castigate rather than regulate and control gambling. Those who keep gambling illegal keep it under cover and in underworld hands—they are the unknowing and unpublicized allies of crime and corruption.

The current State investigation is doing a good job in substantiating and documenting what has always been obvious—that immense sums are spent by the crime rings for their protection as

well as for the perpetuation of their lucrative status quo.

New York, more than any other State, needs official recognition of the need for public control and regulation of gambling, because gambling—and the criminal ramifications of gambling revenues—achieves greater proportions in New York than elsewhere. The social and financial benefits of a State or National lottery would be of tremendous magnitude in New York.

LEGISLATIVE PROGRAM FOR WEEK OF NOVEMBER 4

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

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

There was no objection.

Mr. ALGER. Mr. Speaker, may I ask the majority leader if he can advise the House of the program for the balance of the week and for next week?

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

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

Mr. ALBERT. Responding to the gentleman's inquiry, we have completed the legislative program for this week.

Further responding to the gentleman's question with respect to the program for next week, Monday is Consent Calendar Day. Tuesday is Private Calendar Day under the rules of the House; however, there are certain general elections around the country on Tuesday. After consulting with the minority leader, I have arranged to ask, and I do ask unanimous consent, Mr. Speaker, that the Private Calendar may be called on Monday next instead of on Tuesday next, in order that the House may adjourn over from Monday until Wednesday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALBERT. I also would like to advise the House that Monday, November 11, is Veterans' Day, or Armistice Day, and it is also District Day. The District Committee has two bills ready to report on that day, which is Monday week. In view of that fact, I ask unanimous consent that business in order on District Day, Monday, November 11, may be in order on Wednesday, November 6.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALBERT. Now, Mr. Speaker, further answering the gentleman. Of course, we will meet on Monday and the Consent and Private Calendars will be called.

There will be no business on Tuesday.

On Wednesday, there will be two District bills:

H.R. 8920, to revise the District of Columbia Alcoholic Beverage Control Act; and

S. 933, to amend the District of Columbia Practical Nurses' Licensing Act.

Also, on Wednesday, the bill, S. 777, to amend the Arms Control and Disarmament Act under an open rule, providing for 2 hours of debate.

For Thursday and the balance of the week, there will be H.R. 8969, to provide for the period ending June 30, 1964, temporary increases in the public debt limit set forth in section 21 of the Second Liberty Bond Act.

This announcement, of course, is made subject to the usual reservation that conference reports may be brought up at any time and that any further program may be announced later.

Mr. Speaker, I have been advised there is a possibility that one or more conference reports on the education bills may be called up next week, if agreement is reached.

Mr. ALGER. I thank the gentleman.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT OVER TO MONDAY

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT ON MONDAY NEXT TO WEDNESDAY

Mr. ALBERT. Mr. Speaker, in view of the program announced and agreed upon, I ask unanimous consent that when the House adjourns on Monday next, it adjourn to meet on Wednesday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TENTH ANNIVERSARY OF RESURRECTION HOSPITAL IN CHICAGO, ILL.

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

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

There was no objection.

Mr. PUCINSKI. Mr. Speaker, 10 years ago, tomorrow, November 1, the Sisters of the Resurrection opened the doors to their beautiful 252-bed hospital in the heart of my congressional district.

This was a historic day, not only for the people of Chicago but all of the people in the Midwest, because in these last 10 years, Resurrection Hospital has brought medical care to more than 100,000 patients.

Resurrection Hospital is one of the most modern and best organized hospitals in the country. It stands today as a shining symbol to the proposition that we Americans can provide the best medical care in the world for ourselves only when our medical profession and our hospital's administrators are given a complete free hand to manage their own affairs without interference from any outside source, including the Government.

Resurrection Hospital in the last 10 years has given the entire Northwest Side of Chicago a new dimension in service and dedication.

It is my hope that by its 20th anniversary, Resurrection Hospital will have more than tripled its present facilities for human kindness and care for the sick.

Today Resurrection Hospital stands as a living monument to the progress of American medicine.

The moving spirit behind this great progress accomplished in the face of monumental difficulties, is Sister Gregory, the hospital's administrator, and the other nuns who so heroically assist her in her task.

Mr. Speaker, there is not a person in Chicago's Northwest Side, who, regardless of religious beliefs, does not look upon Sister Gregory with inspiration for it has been her guiding spirit which has made the Resurrection Hospital one of the most impressive medical institutions in the world.

But a hospital's personality is reflected by its staff and Resurrection Hospital is fortunate to have as its chief of medical staff Dr. Anthony J. Nicosia, who today ranks as one of Chicago's most learned physicians. The dedicated assistance which Dr. Nicosia receives from Dr. Richard A. Buckingham, vice president of staff, Dr. George W. Drymalski, secretary of staff, Dr. John McCarthy, treasurer, and all of the staff physicians at Resurrection has helped develop a medical team in this hospital which, in my judgment, is unequaled anywhere in the world.

The fine corps of nurses, the nuns who work with Sister Gregory, and the housekeeping staff, all working together in a common cause for humanity, compose a team in Resurrection Hospital which has brought an entirely new concept to medical care. One need only talk to any one of the 100,000 patients who have been treated at Resurrection to immediately fully grasp the reverence with which these patients describe the merciful care which they received from the staff at Resurrection.

It would be my hope that Congress would substantially increase the Hill-Burton Act so that we could give these private, not-for-profit hospitals, such as Resurrection, the help they need to expand their facilities. We frequently hear about utilization studies which tend to throw some cloud over the administration of our private hospitals by inferring that perhaps they are not being utilized to their fullest benefits or that patients are being hospitalized too long.

A casual examination of Resurrection's 10-year history demonstrates that the excellent management of this hospital by both the administrative staff and the professional staff has created a turnover

of patients that could not be subject to any criticism.

The splendid record which Resurrection Hospital has established in these last 10 years is the best answer to those who are quick to criticize our American hospitals.

Mr. Speaker, I am proud to be able to join today in paying tribute to this outstanding institution. Resurrection Hospital demonstrates what free and dedicated doctors, working together with the other professional and nonprofessional staffs, can do in molding together a citadel of humanity for our Nation's people in need of medical care.

Mr. Speaker, perhaps the greatest tribute that can be payed to the mercy of these Sisters of the Resurrection is the degree to which they have used their hospital to provide care for the aged and needy. Despite the ever-mounting cost of operating our Nation's hospitals, no one has ever been turned away at Resurrection who was in dire need of hospital care. To those who think greater controls offer a panacea for the medical needs of this country, I suggest that they look at the outstanding record of Resurrection Hospital to see a magnificent example of how medical help can be provided by an institution which is completely free to use its own professional resources for the cause of humanity.

Mr. Speaker, to Sister Gregory and to Dr. Nicosia, as well, as to every single person, including those magnificent, kind hearted, and unselfish volunteers—men and women and young people who freely give their time to help operate the hospital—to all of these wonderful ambassadors of mercy, I extend my own best wishes today on the 10th anniversary of Resurrection Hospital.

PERSONAL ANNOUNCEMENT

Mr. DADDARIO. Mr. Speaker, on rollcall No. 188 today, I was unavoidably detained. If I had been present, I would have voted "yea."

LIABILITY OF REA BORROWERS FOR INCOME TAX

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 30 minutes.

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

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

Mr. GUBSER. Mr. Speaker, at 2:11 p.m. this afternoon the United Press International wire carried the following story. I quote it in part:

> Chairman ADAM CLAYTON POWELL, Democrat, of New York, announced the appointment, effective October 1, of Dr. Ernesto Galarza as chief labor counsel of the House Education and Labor Committee. Galarza has been the center of House controversy over an investigation by POWELL'S committee into a bus crash * * *.

I stop quoting at that point.

Mr. Speaker, I have been telling the House for over a week how Mr. Galarza, a man who has confessed judgment as a defendant in a libel suit, has been working for the Education and Labor Committee as an investigator. Now his appointment has been legitimatized in a rather ex post facto sort of way by this announcement from the chairman of the committee.

So it is now official that Ernesto Galarza is on the payroll and that the taxpayers have been paying him since October 1.

What was Ernesto Galarza doing this afternoon to earn his reported $19,000 per year? I have been here on the floor of the House listening to the debate on the bill to extend Public Law 78. Nevertheless I could, if the House rules permitted it, tell you where Ernesto was this afternoon. The rules do not prohibit me from saying that he was not observing nor working on any matter over which the Education and Labor Committee had jurisdiction.

So our new $19,000-per-year consultant, who is paid by the taxpayer, has been guilty of playing "hookey" in his first month on the job.

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter, including newspaper articles and testimony taken before the Subcommittee on Appropriations.

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

There was no objection.

Mr. MICHEL. Mr. Speaker, with considerable uneasiness among many Members of this House we have passed the tax revision bill. Many of my colleagues, I am sure, doubt the wisdom of cutting taxes without cast-iron assurance that Federal expenditures also will be cut. The drafters of the legislation, of course, also recognized this incongruity or they would not have included various provisions to close loopholes in the tax laws so that the tax cut, to some extent, would be balanced by revenue from sources that have escaped taxation, or their full share of taxation, in the past.

I mention these aspects of the bill because they have bearing on what I want to discuss here today; namely, a great big gaping loophole which has not been closed off. This is a loophole in the tax laws that is costing the Nation millions of dollars a year. It is a loophole that for some reason which escapes me, we appear to be afraid to discuss and afraid to do anything about. I refer to the rural electric cooperatives.

In his 1961 tax message President Kennedy called the Congress' attention to the tax treatment of cooperatives in general, and he noted that "substantial income" from these cooperatives is not being taxed. He recommended that the laws be clarified so that all earnings are taxable to either the cooperatives or their patrons.

But then, without any explanation, he stated that the exemption of rural electric cooperatives should be continued. And, as we all know, when the Revenue Act of 1962 was enacted, rural electric cooperatives were excluded from the provisions adopted to apply to cooperatives.

Now, Mr. Speaker, I know that anytime the subject of taxing rural electric cooperatives is brought up, it is like trying to bring up prohibition at a liquor dealers' convention. Not only that, but those who defend the tax-free status of co-ops resort to all the usual economic mumbo-jumbo about nonprofit operations, and about patronage refunds not being income. And if a co-op happens to have some profits stashed away—well, that is not profit, it is earned surplus, or it is reserves, or required operating capital—never profits.

And there is another odd inconsistency about these arguments against taxing rural electric cooperatives. They say it will bring hardship to the farmer. In other words, they will use the farmer's name in this instance, but when it comes to justifying big Federal loans, then the farmer is forgotten and they argue that the co-ops have to take on industry, commerce, and other nonfarm loads in order to keep their rates down.

Mr. Speaker, there is only one standard we can go by in deciding the tax status of rural electric cooperatives—do they make a profit on their operations or are they truly non-profit? If they do make a profit, then by every standard of fairness and equity, they should be taxed just as everyone else in this country is taxed when he makes a profit. I propose today to present some facts which indicate to me that there are good reasons for believing that co-ops make substantial profits.

I have evidence that indicates to me that co-ops are making a profit on their operations, and furthermore, that they are using money derived from their privileged position of being able to get 2-percent Federal money to invest in securities which pay a much higher interest rate. I contend this is immoral, illegal, and the co-ops are perpetrating a fraud on the people of the United States.

During the hearings this year I asked the Administrator to provide for us the amount of the surplus funds of the rural electric cooperatives. He provided the committee with some figures which added up to the sum of $589 million. However, I am reasonably convinced that this figure does not even begin to reflect the true situation and that if the Nation is ever able to get at what is really the net surplus worth of the rural electric cooperatives, there will be an outcry all over the land. I contend that cooperatives have sufficiently fattened off the 2-percent Federal cow so that they could resort to non-Federal financing for their future operations without the slightest hardship to any co-op member.

I might say that this is a problem which has concerned us on the Appropriations Committee for some years and we have been endeavoring during the appropriations hearings to find out from the REA just what is the financial condition of the rural electric cooperatives. Every year they come in and ask us for increasingly large amounts of money through the Rural Electrification Administration. Every year we continue to hear complaints that the co-ops are in reality in sound financial health and perfectly capable of financing their expansion needs outside of the Federal Government's subsidized loans.

Every year we continue to hear the same stories that the co-ops are borrowing money from Uncle Sam at this subsidized rate of 2 percent and reinvesting it in other bonds—even Government bonds, mind you—which pay considerably more than 2 percent interest. Just a few weeks ago in the other body the gentleman from Ohio, Senator FRANK LAUSCHE, discussed an advertisement of a Wall Street financial house soliciting the investments of the co-ops in stocks and bonds. We hear these stories and when we try to pin down the REA on just what is the financial condition of the co-ops we get a lot of statistical doubletalk.

Mr. Speaker, on August 2, 1963, the Senator made a speech on the Senate floor and included an ad placed by Ammott, Baker and Co. of New York in the May issue of Rural Electrification, inviting REA co-ops to invest in stocks and bonds. According to the August 16, 1963, issue of the Rural Electric Minuteman, Jerry Anderson, assistant to the general manager of NRECA, informed the Senator in a letter to him cn August 8, that his comments "greatly embarrassed" NRECA, the various rural electric systems, and the advertiser. Well, Mr. Speaker, I should think it would.

The handling of the REA borrowers' general funds has been a subject of constant review and is a matter that has been of great concern to the House Agriculture Subcommittee on Appropriations.

During the hearings this year, Norman Clapp, REA Administrator, emphasized the desirable aspects of loan repayments by the co-ops in advance of due dates, and the subcommittee felt this was most commendable. After all, if the co-op keeps enough funds on hand to meet emergencies, it is obviously proper and necessary to encourage them to pay off their debt to the Government and become self-sustaining. In addition, Clyde Ellis, NRECA general manager, even thinks this is a good idea, for he has been crowing about the fact that co-ops are reducing their general funds by paying capital credits which will give the members the ownership and control they were promised when they joined the co-ops. I also recall Richard Dell, Deputy REA Administrator, testifying to this effect last year.

However, Mr. Anderson goes on to say in his letter to Senator LAUSCHE that each rural electric co-op decides the amount to be set aside for each purpose. He writes, "We believe, however, that commonsense and prudent business management would dictate that the money should be invested until such time as it is needed, and that the primary consideration in investing the funds should be the security, liquidity, and return of the investment." Mr. Speaker, it is obvious that REA and NRECA leaders are saying one thing, but are doing another and it is understandable that they would be embarrassed by Senator LAUSCHE's comments.

Mr. Speaker, I mentioned the testimony of Mr. Dell which was taken on July 9, 1962, and appears in part 4 of the Department of Agriculture appropriation hearings for 1963. I wish to include at this point a portion of that testimony beginning at the bottom of page 2039 of those hearings continuing to the top of page 2042:

GENERAL FUNDS OF REA BORROWERS—EFFECT ON NEW LOANS

Mr. MICHEL. Now if I may turn to the earlier memorandum which you have inserted in the record with respect to the internal operations of the co-ops, particularly with respect to distribution of their surplus or reinvestment——

Mr. DELL. General funds.

Mr. MICHEL. General funds. How would the REA look upon a co-op that owes REA $1,855,721, borrowed at 2 percent, which now has an earned surplus of $1,571,000, none of which has been distributed as required by Federal and State laws and the bylaws of the cooperative; a cooperative whose net worth is now $2,435,143; still borrowing from you at 2 percent; with over $400,000 in cash in the banks of the locality, not drawing interest; investments in excess of $750,000 all drawing interest in excess of 2 percent? What kind of machinery do you have in the REA to dig out a situation like this? If a situation does exist, as I stated, it obviously has not come within the purview of that memorandum. That memorandum could not be any good and still permit this kind of operation to come to my attention and not yours.

Mr. DELL. Are you saying to me we have made them a loan with that kind of situation existing since the general funds bulletin came out? I do not know what system you are talking about, of course, but I do not believe that we have.

Mr. MICHEL. Let me put it this way: How would you treat an application on file under these hypothetical circumstances?

Mr. DELL. Under the conditions you have stated, we would not make them another loan until we got the situation cleaned up.

ELECTRIC RETAIL RATES OF COOPERATIVES

Mr. MICHEL. Are there many instances where a co-op has no set policy as to the amount the farmers are to be charged?

Mr. DELL. Again, I am not sure that I understand your question, but if I do, all of these systems we have financed have published rate schedules. They may be adjusted upward or downward from time to time, but it is always a published schedule.

Mr. MICHEL. Depending upon the volume that a farmer takes, and not with monthly minimum charges?

Mr. DELL. They are not changed from month to month. There may be a rate adjustment, say, this year in one of these systems all down the line—commercial, residential, industrial schedules. All of their schedules may be adjusted or certain ones of them may be. It may be another 2 or 3 years or longer before there would be another rate adjustment. They are published schedules, and they are not subject to fluctuations from month to month or anything of that kind.

DIRECTORS AND OFFICERS OF REA COOPERATIVES

Mr. MICHEL. Are there provisions that would preclude one from doing a sizable business with the co-op while serving on the board of directors of that cooperative?

Mr. DELL. Some of them do.

Mr. MICHEL. Has there been any general policy by REA on that?

Mr. DELL. As far as REA is concerned, our policy has been that directors and officers of a co-op should not be doing business with the co-op. I believe that is correct, is it not, Mr. Koebel?

Mr. KOEBEL. I believe that is right. There may also be State laws bearing on the subject.

Mr. DELL. Let me add one thing which has been called to my attention here. If they come to us for advice on making up their bylaws, we have a standard provision which prevents that.

Mr. MICHEL. If a situation existed where a member of the board or the president of the co-op is doing better than, say, $60,000 a year business with the co-op; with that cooperative operating under your set of bylaws, is there any machinery that you have at all to bring any kind of pressure to bear upon this co-op to change this hypothetical situation?

Mr. DELL. I do not know that we would go in. I do not know whether we could or not. It may be Mr. Koebel or Mr. Gorrin should answer this question from the legal standpoint. Administratively, I do not know that we would do it. When charges are made—I suspect I know now the system you are talking about—if it is the one I think you are talking about, we have had an investigation down there. We sent our own Department of Agriculture investigators in there. We have gone into it thoroughly. We have not been able to find anything criminally wrong.

Mr. MICHEL. I am not suggesting that there is, but I am suggesting that administratively there should be some tightening within the REA to prevent a situation such as this from developing.

Mr. DELL. I am not sure you and I are talking about the same situation.

Mr. MICHEL. It may not be. There is really no need to cite a specific case here. Evidently these figures start falling in line as far as you folks are concerned.

Mr. KOEBEL. I think I could make this comment, Mr. Michel: We did have the situation of a cooperative where apparently a member of the board of directors was an officer of a company doing business with the cooperative. We could not find that there had been any collusion or chicanery. Apparently even the officer was at some time unaware of this business. It apparently was a routinized operation and the company of which he was an officer was a large supplier in the area. So it was a logical organization with which to do business.

However, after consultation with the board of directors, we were given assurances that the cooperative would see that this connection was dissolved. We would certainly have authority under the loan contract to bring such irregularities to the attention of the board, or perhaps what type of practice they have, good or bad, for the board's correction. Normally, we get good cooperation from the boards.

Mr. DELL. If this is the same case, we had our people meet with the board.

Mr. KOEBEL. Yes. This was all done in complete agreement.

MAINTENANCE OF REA ELECTRIC SYSTEMS

Mr. MICHEL. When an REA co-op has some maintenance work to be performed, it is not unique at all for them to farm out that maintenance work to a contractor, is it?

Mr. KOEBEL. Sometimes it is done.

Mr. MICHEL. Is it a generally accepted practice?

Mr. DELL. No. I would say it is not a generally accepted practice to farm it out to contractors. Usually the cooperative has its own maintenance crew.

Mr. MICHEL. Is there a case where an REA co-op ever farmed out this kind of work, without a contract, at cost-plus, and the "plus" was something like 40 percent?

Mr. DELL. If I may interrupt you there, that statement has been made on several occasions. We did not find the plus to be 40 percent.

Mr. MICHEL. What did you find it to be?

Mr. DELL. Considerably less than that. In the one I am talking about—and I am sure now it is the same one—that system has had, costwise, one of the best operating conditions of any system in that area, and has been commended in a letter from its power supplier on its good operating condition. I am willing to go into that system to any extent that you want to. It is the cooperative at

Jefferson City, Tenn., that I am talking about, and I think it is the same one you are talking about.

Mr. MICHEL. Thank you for that information, Mr. Dell. I guess that is about all, Mr. Chairman.

So we see in the above colloquy, Mr. Speaker, that even though I developed a hypothetical situation, it recalled to Mr. Dell's mind the operating conditions of the Appalachian co-op of Jefferson City, Tenn. In fact, it was indicated that this co-op had been investigated and commended for its operation. He also emphasized that if the hypothetical situation that I described, which evidently was quite real to Mr. Dell, had actually existed, they would not make another loan until the situation was cleaned up.

Now let us turn for a moment to this year's hearings. I asked Mr. Clapp if he had any personal knowledge of the Internal Revenue Service having moved against any REA co-op for failure to comply with section 501(c)(12) of the Internal Revenue Code. He replied:

I am not aware of any investigation by the Internal Revenue Service involving any of our co-ops at this time, although there may be some going on. Working with the Internal Revenue Service we are trying to arrive at some guidelines which our borrowers can use to insure their compliance with the Internal Revenue Service requirements.

So we see that Mr. Clapp says that he is working with IRS and is not aware of any investigation.

At this point, Mr. Speaker, I would like to quote from a letter I received from the Director, IRS Technical Planning, Maurice Lewis, dated March 13, 1963:

In his 1961 tax message, President Kennedy recommended the continuation of the exemption for REA cooperatives. However, he called Congress' attention to the tax treatment of cooperatives, stating that, contrary to the intention of Congress, substantial income from certain cooperative enterprises reflecting business operations was not being taxed either to the cooperative organization itself or its members, and recommended legislation to correct the situation. To remedy this situation, section 17 of the Revenue Act of 1962 was enacted. This section imposes upon either the cooperatives or their members a single tax on the income of the cooperative. The legislation provides, however, that this tax does not apply to REA cooperatives.

Evidently, Mr. Speaker, the President is concerned about some co-op operations, but feels that REA, like Caesar's wife, "must be above suspicion."

However, our very able subcommittee chairman, the gentleman from Mississippi [JAMIE WHITTEN], feels there is some cause for suspicion. During the course of this year's hearings on Agriculture appropriations, there was some discussion about co-op managers in Iowa obtaining 4-percent loans to finance the purchase of their own homes. I include the colloquy that followed:

Mr. WHITTEN. May I interrupt here. I am like Mr. MICHEL. Let us not endanger a good program by having Federal funds used far beyond the intent of the act. We have the Farmers Home Administration, which makes rural housing loans. We have set up new programs to finance homes for the elderly. The Farmers Home Administration is actively engaged in these things, and to have the REA associations do the same thing is not intended.

Mr. CLAPP. I understand, Mr. Chairman. My first statement to Mr. MICHEL was that we do not approve of a co-op lending money to the manager to build a home.

Mr. WHITTEN. You disapprove, but what are you doing about it?

Mr. CLAPP. We are investigating this particular case.

Mr. WHITTEN. When you investigate it, what are you going to do

Mr. CLAPP. As soon as we find out what the facts are, we will cross that bridge.

On this same subject of other business activities of electric borrowers, shortly after the above colloquy, Mr. Clapp made this statement: "They may not get a dollar back on those loans, but we expect them to pay us."

The gentleman from Mississippi [Mr. WHITTEN] continued his searching probe and further questioned Mr. Clapp on incidental business activities. The colloquy follows:

Mr. WHITTEN. You testified a while ago of one instance where an REA cooperative with its own funds built a house for the manager. If that cooperative, under your present loan agreement, wherein you reserve the right to foreclose or take over under certain conditions, had on hand sufficient money and was current in its repayment to you, they could go into the housebuilding business and you could do nothing about it.

Mr. CLAPP. If this were within its corporate powers under the laws of the State.

Mr. WHITTEN. Under the laws of the State?

Mr. CLAPP. That is right.

Mr. WHITTEN. Is it right that under the basic act, which most of the States adopted, written by the REA Administration, is so broad that it is pretty difficult to say what they cannot do? Am I right about that?

Mr. CLAPP. Generally speaking, our leverage on such a situation would depend on whether or not we would determine that this was a threat to the security of the Government loan. We would have that authority if they got so far out of line that they were threatening the security. Then we would have grounds to go in.

Now let us look and see what Mr. Clapp has told our distinguished subcommittee chairman. First, he says that he does not approve of a co-op lending money to the manager to build a home. Then Mr. Clapp says if State laws permit it, he would have to approve it. Then he adds that if the loan were a threat to the security of the Government he would disapprove it. But earlier we see that he said: "They may not get a dollar back on those loans, but we expect them to pay us."

Tell me, Mr. Speaker, how can the security of the Government be protected if the REA Administrator does not care whether the co-ops get $1 back on their loans? If the co-op underwrites the risk, who underwrites REA if the co-op cannot pay? We can all answer that one—the taxpayer.

Just because Mr. Clapp expects them to pay, can that be used as an argument that the security of the Government and the taxpayer is being protected? I would like to see any lawyer get very far with that argument before a judge or a jury.

The purpose of requiring the Administrator to certify that the security is adequate and that the loan will be repaid is to impose upon him the duty of making certain that the entire project is feasible and that there will be sufficient revenues to protect the loan of the United States. Obviously the philosophy of we "expect" them to pay regardless of whether there are sufficient facts upon which to base a determination of feasibility is carried through on all of Mr. Clapp's decisions and particularly in the Colorado-Ute loan. The recital of facts of this loan in the forthcoming audit report of the Comptroller General on REA which will be released this fall, I am sure will point this out vividly.

However, Mr. Speaker, the important point I want to emphasize here is that all along we see that the Administrator's figures do not begin to give the true picture of the financial status of most co-ops.

He justifies these figures by saying they represent normal reserves, and he tells us that the REA will investigate and correct the situation for all those co-ops which have reserves that represent more than 20 percent of their capital assets. He tells us that 15 percent in reserves is the normal and a permissible figure and that the excess should be used to speed up the repayment of loans.

This all sounds good, but it does not reveal what the situation really is. We do not know what is going on with most co-ops today. We can only begin to suspect that there is a scandalous situation being covered up when we have the opportunity to part the curtain and get a look at some specifics.

Mr. Speaker, in addition to the REA audit of the Comptroller General, another bombshell is about to explode on this situation. At this point, I wish to include a statement Mr. Clapp made during the hearings in answer to a question put to him by the gentleman from New York [Mr. ADDABBO]:

On the basis of our study, we came to the conclusion that, generally speaking, reserve funds or general funds equivalent to 15 percent of the value of the plant in service was not only warranted but desirable for the proper operation of a rural system, for prudent management, and to protect it against emergencies.

Mr. Speaker, I have in my files an audit report of the Appalachian Electric Cooperative of Jefferson City, Tenn., prepared by Peat, Marwick, Mitchell & Co., certified public accountants.

Before I discuss the startling figures revealed in this audit report, I should mention that this co-op is being investigated by the Internal Revenue Service and, according to a letter dated October 28, 1963, from Assistant Commissioner Bacon, "the issues include the question of whether the company's operations are in fact cooperative and presents the possibility of accumulation of excessive income reserves yielding investment income in excess of statutory limitations." I commend the IRS on this action.

The audit report gives the financial status of Appalachian as of 1960. It should be understood that this organization was at that time, and still is, a borrower from REA. In 1960, it had borrowed a total of over $3 million, of which about $2.7 million had been advanced.

It should be noted, too, that in 1961 another $3 million was advanced. So, notwithstanding the facts disclosed by this audit, REA continued to make 2-percent loan funds available to the organization.

This audit discloses many facts which should prove of interest to the taxpayers of this country.

The balance sheet shows that the total member and patron equities in 1960 were $2.3 million, of which $1.5 million was accumulated earned surplus. Not a single cent of this surplus had been distributed to the members. I was under the impression that distribution of the excess over expenses was a prime requisite of a nonprofit organization and a requirement for obtaining income tax exemption.

The audit report shows further that this organization earned $185,000 over and above operating expenses in 1960. As this excess was not distributed to members as required, it, too, must be listed as "profit" and be subject to taxation.

REA insists that 15 percent of the plant value is a reasonable standard for determining the amount of reserves to be held by the cooperatives. According to the audit report, the net value of the plant of the Appalachian Electric Cooperative was about $3.2 million. Fifteen percent of this sum is $475,000.

Now let us look at the investments and current assets of this cooperative. This organization had:

U.S. bonds and notes	$328,214.68
School bonds paying from 3 to 3¾ percent interest	25,000.00
Hospital bonds paying 3¼ to 3¾ percent interest	25,000.00
Farmers Home Administration insured loans 3½ percent interest	46,668.07
Savings accounts	22,126.07
Certificates of deposit	50,000.00
Note of Tennessee Rural Electric Cooperative Association	10,000.00
Total	557,008.82

In addition, this organization had $431,154.31 in cash in banks and on hand. There were additional current assets of $84,795.20.

But that is not all. Although not shown on the balance sheet, the audit report on page 8 states:

> Advance payment in the amount of $289,941.88 may, at the request of the cooperative, be used in meeting these requirements.

The requirements referred to are the REA notes. So, safely tucked away in a special deposit account, is this $290,000 which may be used by the cooperative, but only at its discretion, to pay the REA loan. This sum must be added to the assets.

The sum total of all these assets is approximately $1,400,000—this compares with the $475,000 reserves as recommended by REA. Obviously, this organization had nearly $1 million which should have been returned to its members. Does this kind of operation justify income tax exemption? The answer must be that it does not, and the organization should be subject to the same taxes as all business operated for profit.

What is the situation today? Mr. Clarence Bales, attorney and solicitor of Jefferson City, wrote me on October 15, 1963, and stated the co-op "has a total accumulated overcharge of $1,979,244 which it called earned surplus."

Mr. Bales also added:

> There are 260,000 Tennessee families, members of its 26 electric co-ops to whom refund is due. Half of these are poor people—relief clients, widows, retired couples, factory workers, small tenant farmers, all of whom need their overcharge badly.

Mr. Speaker, referring again to the audit report figures, there are two items in the list of assets which require special attention. The first one concerns the $46,668 worth of Farmers Home Administration insured notes drawing 3½ percent interest. No more ingenious method of milking Uncle Sam can be found than in this instance of borrowing money at 2 percent from the Federal Government and investing the excess reserves of the organization at 3½ percent, with the Federal Government insuring the loan. The co-op wins at both ends of the line, with the United States paying or guaranteeing payment of all of the bills.

The second item involves the loan of $10,000 at 3 percent interest for 20 years. This loan was made to the statewide organization of cooperatives for the construction of a building in Nashville, the capital of the State of Tennessee and the place where the legislature of that State holds its sessions. So we see that the co-op is also in the moneylending business.

These two instances are clear violations of principles of nonprofit operation.

What is even more disgusting, Mr. Speaker, are the antics of this co-op when they began to feel the heat of the IRS investigation. After learning of the imminent action by the Commissioner of Internal Revenue, they hurriedly announced to their members that they were going to cut their rates. The full page ad announcing this fact appeared in the August 8, 1963, issue of the Jefferson Standard. It is such an obvious coverup that I trust it will only serve to "rub salt in the wounds" of the co-op members when the IRS decision is handed down. The desperation of the Appalachian officers was further revealed in the same issue of the newspaper. They released for publication a letter from the TVA Chairman congratulating them on their rate reduction. I imagine that Mr. Wagner feels somewhat foolish knowing that the co-op action is 5 years too late.

The advertisement and letter follow:

> ELECTRIC RATES CUT—NEW LOWER RATES ARE IN EFFECT—CUSTOMER SAVINGS AMOUNT TO $103,600 FIRST YEAR
>
> It is with immense pride that your cooperative board announces that new, lower electric rates are now in effect here: a reduction which will save users an estimated $103,600 during the next year.
>
> This rate is one of the Nation's lowest. Under the rate just abolished, your average residential cost was 1.03 cents per kilowatt-hour. Now it will drop even lower: The national average residential cost per kilowatt-hour is 2.43 cents.
>
> In addition to reducing everyone's rate, your co-op board has adopted a new TVA rate which will mean extra special savings for all our commercial accounts. TVA has just made the rate available to its 157 power distributors. Under this rate, all our commercial consumers who have a power demand of 50 kilwatts and below will not pay demand charges with meters read after August 1.
>
> This general rate reduction will affect all consumers: homes, stores, schools, farms, factories, churches. Everyone will save. Just how much an individual customer will save depends on how much electricity he uses each month. Here is an estimate of the amount and percentage of savings by classes of consumers.

Class of consumers	Amount saved	Percent
Residential	$68,000	7.2
Commercial	21,800	11.9
Industrial	12,500	3.3
Street lighting	1,300	6.5
Total	103,600	[1] 6.8

[1] Average.

> It really pleases us to announce this electric rate reduction now when the general cost of living is so high. Electricity is a tool which can be used to help us build a stronger area. Keeping the cost low is one of our responsibilities to you, the member-owners of the Appalachian Electric Cooperative.
>
> Since our beginning in 1940, a remarkable story of progress with electricity has been evident throughout our area. And now with these new lower rates, we will experience an even greater growth.
>
> We operate the cooperative for one reason—to give you the best electric service at the lowest cost possible consistent with sound business practices. We are not in business to make a profit. Every cent you pay the co-op for electricity is used by the co-op. After meeting regular obligations and paying our taxes, the money left is used to expand and improve the system, to provide better service and reduce your costs for power.
>
> All profits are returned to you in the form of lower rates and better service.
>
> We hope you will take full advantage of the lower electric rates in your home, business, plant, and wherever electricity can serve and save.
>
> Residential new rates: First 75 kilowatt hours at 2.5 cents each; next 100 kilowatt hours at 1.5 cents each; next 225 kilowatt hours at 1.0 cent each; next 750 kilowatt hours at 0.4 cent each; additional kilowatt hours at 0.75 cent each.
>
> New security light rates: 7,000 lumen, $2.80 per month; 20,000 lumen, $3.80 per month.

The savings in your home

Monthly kilowatt-hour use	Old rate you paid	New rate you pay	Your savings	
			Amount	Percent
100	$2.50	$2.25	$0.25	10.0
250	5.00	4.13	.87	17.4
300	5.50	4.63	.87	15.8
400	6.50	5.63	.87	13.4
500	6.90	6.03	.87	12.6
700	7.70	6.83	.87	11.3
900	8.50	7.63	.87	10.2
1,000	8.90	8.03	.87	9.8

Your electric compared to U.S. average

Kilowatt-hours used per month	U.S. average [1]	Your rate	You save	Percent lower
100	$4.06	$2.25	$1.81	45
250	7.48	4.13	3.35	45
500	10.66	6.03	4.63	43

[1] Federal Power Commission data.

FIGURE YOUR OWN SAVINGS IN YOUR BUSINESS

"Business goes up where electric rates go down."

Electricity has become the very lifeblood of modern business and industry. We are extremely fortunate here to have a plentiful supply of electricity available to us. We realize, as you do, what an industry means to a community in terms of people, homes, cars, schools, churches, and for our general economic welfare. That's why we're always out for new industry and plant expansions. We offer every business and industry special engineering planning services, free on request. If you have an electrical problem, call on us.

Monthly kilowatt-hour use	Old rate you paid	New rate you pay	Your savings	
			Amount	Percent
1,000	$16.50	$14.25	$2.25	13.6
2,000	26.00	23.25	2.75	10.6
4,000	52.00	42.00	10.00	19.2
6,000	68.00	63.00	5.00	7.4
10,000	130.00	105.00	25.00	19.2
15,000	170.00	152.00	18.00	10.6
20,000	200.00	177.00	23.00	11.5
25,000	230.00	202.00	28.00	12.2

Everyone benefits from low-cost electricity. It can be used abundantly for better living and better working, and it gives more time for recreation. Historically, Appalachian EC has always been working toward lower electric rates. And now, this new reduction provides you one of the lowest electric rates in the Nation. How can electric rates get so low? One of the reasons is your continued high usage. For example, last year the average home in our service area used 9,900 kilowatt-hours, twice the national average. Very impressive. And your usage continues to rise. Another reason is our economical distribution of electricity to you. And another, the abundant wholesale supply of power from TVA. Low-cost electricity will continue to benefit our people and improve our community. Progress with electricity really means something in our co-op service area.

APPALACHIAN ELECTRIC COOPERATIVE.

[From the Jefferson City (Tenn.) Standard, Aug. 8, 1963]

TVA CHAIRMAN CONGRATULATES ELECTRIC CO-OP ON RATE REDUCTION

Aubrey J. Wagner, TVA Chairman, has written the following letter to the board of trustees, Manager Roy Hendrix, and employees of Appalachian Electric Cooperative congratulating them on the recent reduction in power rates in the local area. Since Chairman Wagner's letter was written an additional reduction of rates has been announced making the total savings to consumers $103,600 instead of the $99,200 figure quoted.

The letter follows:

AUGUST 1963.

Mr. J. W. ELLIS,
President, Appalachian Electric Cooperative, Jefferson City, Tenn.

DEAR MR. ELLIS: We are pleased to learn of the decision of the Appalachian Electric Cooperative to adopt residential rate R, general lighting and power rate G, and outdoor lighting rate OL to replace rates B-1, BG, and OLB, effective August 1, 1963. The adoption of the lower rates will provide the electric consumers with annual savings of about $99,200 during the first year and will be of general benefit to the business and living standards of the area served by the cooperative.

TVA's Board of Directors extends heartiest congratulations to you, your board of trustees and the manager and employees of the cooperative on the successful operation which has made these lower rates and consumer savings possible.

Very truly yours,

AUBREY J. WAGNER,
Chairman.

Mr. Speaker, there can be no doubt that the situation with respect to this cooperative is shocking. It is shocking because it has been going on for years and it is shocking because it has been so strenuously covered up. While this is just one case, I want to refer my colleagues to the fact that the REA Administrator testified before the appropriations committee this year that there were 185 REA borrowers who had reserves in excess of 20 percent of plant value. I assume the IRS is investigating each and every one of these 185 borrowers. This would be an investigation that might uncover a mother lode of unpaid taxes due the Federal Government.

There is one other aspect to this case that should be explored because this, too, raises some disturbing thoughts. What has been the role of the Rural Electrification Administration in this matter?

During the appropriation hearings in 1962, and without my ever mentioning the Appalachian case by name, I tried to pin down the Deputy Administrator, Mr. Richard Dell, as to what the Administration would do in some hypothetical cases that would be comparable to Appalachian. Mr. Dell eventually indicated that he knew I was talking about Appalachian because he mentioned the co-op by name.

The outcome of this exchange was that Mr. Dell conceded that if a situation such as I described existed—and bear in mind that I was describing the Appalachian situation—then REA would not make another loan to the co-op until it had put its house in order. Yet, I pointed out earlier in my remarks, REA proceeded to lend money to this co-op even after the facts of its profitmaking were disclosed in the audit report of 1960.

It clearly shows the extent to which REA has become a law unto itself, of how it has departed from its original mission, and how it is using its subsidized privileges to build a bureaucratic empire. Today there are in Congress 17 bills designed to correct various defects in the Rural Electrification Act with more to come. I am sure it is apparent the time has come for immediate action on legislation to promote a genuine farm electrification program—short of a huge Federal electric empire.

Mr. Speaker, I hope that if this Appalachian case does nothing else, it will help to dispel the many erroneous impressions that the co-ops are always above suspicion, that they can do no wrong, that because they bear the label cooperative they are in fact nonprofit.

In conclusion, I want to alert my colleagues once again to the fact that the Comptroller General is preparing a report on the controversial loan made by the REA to the Colorado-Ute Cooperative and I will most certainly bring the facts of that report to the attention of this House.

SAVANNAH RIVER PLANT OF THE ATOMIC ENERGY COMMISSION

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. WATSON] is recognized for 20 minutes.

Mr. WATSON. Mr. Speaker, recently it was my privilege to visit the Savannah River plant of the Atomic Energy Commission at Aiken, S.C., and I state without reservation that I have never been more impressed with the personnel and operation of any Government installation than I was on this occasion.

As I toured this facility, I was particularly impressed with the dedication and ability of the management and employees. Their conscientious efforts and their thorough knowledge of their duties could not escape the notice of even the most casual observer. Of further interest should be the most notable contribution the Savannah River plant is making to civilian purposes as well as the obvious military contribution it has made over the years.

The Atomic Energy Commission's Savannah River plant in South Carolina was originally designed and built to permit flexibility with respect to nuclear reactor products, with initial emphasis on the production for military purposes of either plutonium or tritium as circumstances required. It is this original flexibility which makes the Savannah River plant the attractive complex that it is today for a variety of peacetime nonmilitary programs. Changes relating to the production of new materials can be accomplished rapidly and smoothly.

The complex is composed of five nuclear reactors, two chemical separations facilities, a heavy water extraction plant, a heavy water components test reactor, several smaller test reactors, the Savannah River Laboratory, which has much potential for research in nuclear energy and space matters in addition to current support given operations, and the many necessary supporting facilities—electric generating plants, water pumping systems, railroads, and so on. Costs of the base construction approximated $1,300 million. Since 1953, when operations began, more than $2,200 million has been spent there by the Federal Government. This includes salaries, wages, equipment, supplies, and necessary renovations and additions to buildings.

The plant site covers 200,831 acres—around 315 square miles—a land area about equal to that of the city—five boroughs—of New York.

The Savannah River plant has made and continues to make significant contributions to the defense posture of the Nation and to the strength of the free world through the production of special nuclear materials. Of equal importance is its potential to produce nonweapon nuclear materials and to engage in various types of constructive research projects, with resulting wide benefits to all Americans.

Some of this potential already is being realized. A few days ago, the Commission announced a significant new program utilizing the plant's facilities for the production of curium 244, a radioactive element that could be useful in supplying energy to power instruments and for other purposes on spaceships. In addition, the plant has produced and continues to produce plutonium 238 as a source of energy to supply the power for generation of electricity to send signals from certain types of satellites.

Simultaneously, the National Aeronautics and Space Administration is exploring the use of the facilities at the Savannah River Laboratory of the Savannah River plant for research projects in the space program. NASA officials have visited the plant and it is hoped some positive steps will soon be forthcoming. A working arrangement for mutually beneficial research projects also is being worked out between the Savannah River Laboratory and colleges and universities in the South Atlantic area, including South Carolina and Georgia and adjacent States. The program will include postgraduate work on the plant site, exchanges of personnel between the plant and the respective institutions of higher learning, seminars, and, of course, specific research projects in which college and university personnel will participate.

The plant has irradiated the element cobalt 60 for use by doctors, medical institutions, and researchers for the treatment of cancer. While most of the program in this particular field is now being accomplished by private industry, the Savannah River plant continues to irradiate large-scale amounts of cobalt 60 for specialized research work being carried out by such groups as the Bureau of Mines, the Army Quartermaster Corps, and the Brookhaven National Laboratory. Savannah River reactors produce cobalt 60 of high specific activity at lower costs.

The plant has sold or leased more than $30 million worth of heavy water to foreign nations for use in power reactor projects to generate electricity. Heavy water, which occurs in nature at the ratio of 1 ounce to every 52 gallons of normal water, is separated from the raw water of the Savannah River in a special extraction facility at the Savannah River plant.

The Savannah River plant also supplies uranium fuel elements to universities and colleges throughout the country for use in subcritical reactors devoted to the training of nuclear physicists and engineers, and operates a co-op program under which students from various colleges and universities in the Southeast obtain on-the-job training in the field of nuclear energy.

One of the most promising possibilities at the Savannah River plant centers around the existence of pine plantations of nearly 80 million trees planted since 1952 on more than 70,000 acres under a program to utilize land which otherwise would be idle, help maintain the water table and control dust and erosion. The Commission has a contract with the Forest Service of the U.S. Department of Agriculture for this work. Current plantings run nearly 1 million seedlings a year to recover losses and build up stands. Sale of timber and pulpwood from these plantations will reimburse the Federal Government far beyond the costs involved. Research projects being carried forward elsewhere by universities and private groups utilizing nuclear radiation to improve the properties of wood and wood products suggest that the pine plantations at the Savannah River plant offer the possibility of a national forest radiation laboratory for the improvement of wood and wood products and for research into other forestry problems. Some of this research potential includes: First, improvement of the water absorbing capacity of soils through an accelerated decomposition of materials; second, the tracing by radiation of the travel of pollen from pine trees—this fact is basic to the establishing of seed orchards of superior trees; third, insect and disease control; fourth, fertilization studies; fifth, the effect of high level radiation on such a chemical as naval stores rosin; sixth, exploration of the effect of high level radiation on lignin, one of the most perplexing problems in the forest products industries; seventh, the possible alteration of the genetic picture to get better trees by radiation of seedlings; eighth, the possible treatment of sawmill waste by radiation for conversion to usable products; and, ninth, extent to which the survival of seedlings can be improved by radiation treatment before planting.

The peacetime endeavors I have mentioned appear to me to only set a pattern of what can be accomplished by the Savannah River plant in fields other than the production of fissionable materials for the national defense.

In passing, I would like to mention that the tritium the plant produces as part of the Nation's thermonuclear weapons program also can and is being used in medical research to study certain body functions. So what is potentially destructive also has its constructive side. Furthermore, the plutonium that is produced at the plant, and which can be stored indefinitely, has a sound future for use as fuel in power reactors to generate electricity, thereby supplementing the conventional fossil fuels in the years ahead. Plutonium, in addition to its weapons capability, is therefore a national asset.

It is of great importance to the American taxpayer that every avenue be explored to utilize every potential of the plant and to see that its stability is maintained, both in the operational phase and in the research work that can be accomplished at the Savannah River Laboratory.

IMPACT ON THE SURROUNDING COMMUNITIES, AND BEYOND

The impact of the Savannah River plant on many phases of life in South Carolina and Georgia, and extending even beyond, has been truly tremendous.

The construction, beginning in 1951, and the subsequent operations of the Savannah River plant, brought many changes and problems to the western South Carolina area and the eastern Georgia area. In contrast to nuclear sites built in World War II—Hanford, Wash., Oak Ridge, Tenn., and Los Alamos, N. Mex.—no Government town was built on the Savannah River plant site, which borders the Savannah River for a distance of 27 miles. Communities in South Carolina and across the Savannah River in Georgia—the latter including the metropolitan city of Augusta, the central trading point for the general area—had to absorb the impact. Private enterprise and private money was the backbone of the funding necessary to build new homes and businesses to answer the demands.

Consequently, this has resulted in private investment by Savannah River plant employees of around $65 million in housing in South Carolina and Georgia. The private debt is heavy in residential mortgages. In addition, the private debt is heavy in automobile, appliance, and other consumer financing.

The plant has an impact far beyond its immediate vicinity and nearby communities. For example, areas in eastern Kentucky and western Virginia, plus a few in West Virginia and Tennessee are affected, since the coal supplied from those areas for operations of the Savannah River plant account for expenditures of more than $3 million annually. The eastern Kentucky and western Virginia areas are already defined as "depressed areas of high and persistent unemployment."

Municipal and county governments in the vicinity of the Savannah River plant have had to expand services to provide for persons working at the plant, now numbering 7,400, including 5,676 in operations, 718 in construction, 213 in the Savannah River operations office of the Atomic Energy Commission, 670 in the Savannah River Laboratory, and some 123 others in the forestry program, in an ecological research program, and in cafeteria operations. Since 1951, local governments have provided millions of dollars in matching funds to Government grants and loans. Bond issues and loans have been imposed on the communities to meet the problems.

Local purchases made by the plant in supplies, services, and equipment amount to around $7,500,000 annually.

The plant's annual operating budget approximates $100 million with $60 million of this in payroll.

In addition, the Savannah River plant generates thousands of other jobs through support by plant employees of service establishments in the communities near the plant area. Savannah River plant-generated establishments in the communities are estimated to have payrolls of $16 million annually. Currently, community construction—private and public—schools, hospitals, churches, and commercial—runs around $23 million.

The State of South Carolina receives around $800,000 annually in income taxes from Savannah River plant employees, and around $775,000 in sales taxes. There are also Federal income taxes and property taxes in the communities and counties near the plant area.

It is estimated Georgia receives $200,000 in sales tax annually from Savannah River plant employees. In addition, Augusta, the major trading center for the central Savannah River area, benefits, it is estimated, by about $9 million annually in retail sales to Savannah River plant employees.

In sum, the Savannah River plant is a vitally important and integral part of the American industrial and research scene.

Prudent assessment must be made regarding its stability and the continued funding of a going concern which has a part in the national good.

POTENTIAL FOR NEW-TYPE PROGRAMS

Thought must be given to new projects in peaceful atomic developments and in space that would further constructively utilize the Savannah River plant. Every avenue leading to continued stability and maximum utilization of this facility must be explored. The potential for various types of new projects and programs are great—those types of projects which will lead to benefits for the entire country. These ideas come to mind:

The location on the site of some type of prototype nuclear powerplant, the expanded use of the reactors for production of materials for the space program and for other purposes, use of the site for Government projects which would require land areas that would otherwise have to be purchased, and the development of additional research programs that can properly and constructively utilize the talents of the hundreds of high-level technical and scientific personnel available.

PINKOS AND NONPINKOS, PATRIOTS AND NONPATRIOTS

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

Mr. FOREMAN. Mr. Speaker, Mr. Bernard Baruch once said:

> Every man has a right to his opinion but no man has a right to be wrong in his facts.

My purpose today is to set the facts straight to clarify and briefly discuss a seemingly very interesting and disturbing subject for some colleagues at least of a recent news article by a Washington news correspondent employed by the Scripps-Howard newspapers. Being familiar with this newspayer group and knowing of their outstanding background of fairness and responsibility in news stories and editorial writing, I was surprised to see the story written by their dedicated Washington correspondent, Mr. Seth Kantor, last week, because I was quoted as calling 20 of my colleagues in this body "pinkos." Apparently in his zeal to write a colorful and controversial front page story, at a time when congressional news was very meager, this enterprising correspondent decided to do some name calling for me.

"Pinkos" seems to be a very popular and controversial name, so he wrote a story, "FOREMAN Labels 20 Colleagues Pinkos." The fact of the matter is, to set the record straight, I have only referred to one Member of this body as a "pinko." On Friday, October 18, 1963——

Mr. ROONEY of New York. Mr. Speaker, I demand the gentleman's words be taken down.

The SPEAKER. The gentleman will suspend. The demand has been made that the gentleman's words be taken down.

Mr. ALGER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The Chair cannot entertain that at this time.

Mr. ROONEY of New York. Mr. Speaker, in view of the fact that it is my understanding of the rules that no Member of the House may be labeled a "pinko" by anyone who would put himself above everybody else in the House, regardless which side of the aisle he is on, this becomes so interesting that I withdraw my demand to have the words taken down at this point so that I may hear what further the gentleman from Texas [Mr. FOREMAN] has to say that is of interest.

The SPEAKER. The gentleman from New York withdraws his demand that the words be taken down.

The Chair recognizes the gentleman from Texas.

Mr. FOREMAN. The fact of the matter is, as I was saying, to set the record straight, I have only referred to one Member of this body as a "pinko." On Friday, October 18, 1963, during a speech in San Jose, Calif., I referred to the gentleman from California, Mr. DON EDWARDS, as DON "PINKO" EDWARDS.

Mr. ROONEY of New York. Mr. Speaker, I again demand that the gentleman's words be taken down.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

> Mr. FOREMAN. I have only referred to one Member of this body as a "pinko." On Friday, October 18, 1963, during a speech in San Jose, Calif., I referred to the gentleman from California, Mr. DON EDWARDS, as DON "PINKO" EDWARDS.

The SPEAKER. In the opinion of the Chair, to characterize any Member of the House as a "pinko" is in violation of the rules.

Does any gentleman desire to be recognized?

Mr. ALGER. Mr. Speaker, I ask to be recognized.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Speaker, I have a copy of the statement the gentleman from Texas [Mr. FOREMAN] was attempting to deliver. If I understand this copy which he has not been permitted to continue with, the gentleman from Texas was just about to add something which would make the gentleman's objection to what he has had to say really out of order, if he knew what next followed.

The SPEAKER. Does the gentleman ask unanimous consent to proceed for 1 minute?

Mr. ALGER. I do, Mr. Speaker.

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

Mr. ROONEY of New York. Mr. Speaker, I object.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. HALLECK. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, I understand that the ruling of the Chair was that the use of the word "pinko" involves a violation of the rules of the House.

The SPEAKER. That is correct.

Mr. HALLECK. Under those circumstances may not the gentleman from Texas be permitted to continue with the balance of his statement?

The SPEAKER. Only by permission of the House.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. FOREMAN] be permitted to continue with the balance of his statement.

The SPEAKER. In order?

Mr. HALLECK. Yes, sir.

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

Mr. ROONEY of New York. Mr. Speaker, I object.

Mr. ALGER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALGER. I do not know the accuracy of Jefferson's Manual in this respect, but it says—and I am reading from the manual:

> Disorderly words are not to be noticed till the Member has finished his speech.

The SPEAKER. The Chair will state that in accordance with the custom and under the rules the demand may be made to take down the words during a speech.

A TRIBUTE TO THE HONORABLE JOHN E. FOGARTY

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, it is indeed gratifying when one is allowed the privilege and honor of joining in public accolade to pay tribute to one who is not only a valued colleague in this august body, but also one who I proudly call friend in the truest sense of that word. All of us here are well aware of the many honors and awards received previously by the Honorable JOHN E. FOGARTY.

On Monday, October 28, Georgetown University awarded JOHN—and I call him "JOHN" proudly and with sincere and deep affection—his 12th honorary degree. Some of you may not yet know him personally and so might well ask, "What manner of man is this?" The people of Rhode Island and particularly those in the Second Congressional District, where he has served arduously and efficiently for 23 years, have shown repeatedly, election after election, that they know what manner of man is this. Elected to Congress at the early age of 27, he has performed his duties for the benefit of the people of his State and Nation in an outstanding and distinctive manner.

Our colleague has an international reputation in the field of public health. As chairman of the Appropriations Subcommittee for the Departments of Health, Education, and Welfare, and Labor, his efforts to improve the lot of all our citizens have been unceasing. The reason for his success in the promotion of public health programs is his firm belief that every American is entitled to the best possible medical care that human knowledge can provide.

Congressman FOGARTY is not only a many of ideals, but also a man of action. Federal funds totaling $750,000 were first appropriated for research in mental retardation at his insistence in 1955. He has continued his active interest in this field over the years, as evidenced by the fact that funds earmarked for mental retardation have been increased to over $40 million in the 1964 allocations.

Other accomplishments of Congressman FOGARTY include his cosponsorship of the health for peace bill; the enactment of authorizing legislation and the appropriation of funds for construction of the National Institute of Dental Research; his sponsorship of legislation providing grants for the construction of medical, dental, and public health schools; the enactment of his bill for the expansion of teaching and research for mentally retarded children; his recent sponsorship of the Older Americans Act of 1963; and legislation to create a National Institute of the Arts and Humanities; and his longtime interest in and support of the National Institutes of Health.

This most recent honor, when added to the list of awards, honorary degrees, and accolades, already so lengthy that it would be time consuming and practically endless to point them all out to you, reflects the unceasing gratitude of peoples in every walk of life for his efforts in behalf of all. Those of us who are fortunate in being numbered among his friends, as well as colleagues, are well cognizant of the fact that JOHN has always been the protector of the young, the aged, and the infirm. It would be difficult to find any humanitarian cause which has not received his wholehearted support, as well as the full benefit of his concerted efforts to assure passage of legislation in its connection. His concern for people and their problems has made him one of the most highly respected and best loved public figures in the history of our State.

I, for one, shall ever be grateful for the kind providence which gave me the benefit of his sage counsel when I arrived in Washington to serve my first term in this House. His willingness to assist all of us in any way possible, giving unstintingly of his time and knowledge, is perhaps the least known publicly, but might well be his most outstanding attribute.

So, Mr. Speaker, I close with the thought that this latest tribute to our esteemed colleague is surely not the last, because men of his caliber, having the rare mark of greatness, cannot escape the recognition of our higher institutions of learning. Congratulations, JOHN, from all of us.

A STATUE IN OUR NATION'S CAPITAL IN HONOR OF TARAS SHEVCHENKO

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DULSKI. Mr. Speaker, the 86th Congress passed the Shevchenko resolution providing for the erection of a statue in our Nation's Capital in honor of Taras Shevchenko, the poet laureate of the Ukraine and Europe's freedom fighter. This is Public Law 86-749 and in accordance with its provisions, the statue will be erected on the Shevchenko site at P and 23d Streets NW., and the historic unveiling is scheduled to take place on May 30, 1964.

The 88th Congress has a wonderful opportunity to follow up on the constructive action taken by the 86th Congress in reflecting its support for the issuance of a champion of liberty stamp in honor of this East European figure of freedom and independence. It will be another opportunity for us to concretely show to the 45 million captive Ukrainian nation and to all the captive non-Russian nations in Eastern Europe that the United States shall never lose sight of their captive status and the undying aspirations for freedom and national independence. Today, as never before, Khrushchev needs this kind of reminder, and no more representative body of the people can do this than we of the 88th Congress.

I am most encouraged by the popular support expressed in behalf of my resolution (H.J. Res. 174), providing for the issurance of a champion of liberty stamp in honor of Taras Shevchenko upon the occasion of the 150th anniversary of his death. The occasion is 1964—significantly also the year of the unveiling of his statue in Washington.

Under leave to extend my remarks, I wish to include the following communications in the RECORD which indicate support for House Joint Resolution 174:

BUFFALO, N.Y.

Hon. THADDEUS J. DULSKI,
House of Representatives,
Washington, D.C.

DEAR MR. DULSKI: I am expressing my view for the issuance of a special U.S. postage stamp in honor of Taras Shevchenko, the great fighter for liberty.

Thank you for introducing your special resolution.

Very respectfully yours,
ALOYSIUS W. HERKO.

ST. PAUL, MINN.,
September 16, 1963.

Hon. Congressman THADDEUS J. DULSKI,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DULSKI: Your resolution (H.J. Res. 174) calling for the issuance of a Shevchenko Champion of Liberty stamp shows a high understanding of the principles of the fight of the oppressed captive nationalities for freedom and of the just aspirations of the Ukrainians for independence.

I am deeply grateful to you and I am expressing my unqualified support for your bold resolution and I think that I am expressing the opinion of many freedom loving people, which shows not in words but in a deed that you realize the importance for the United States of supporting the hopes and the fight of the oppressed captive nations for freedom.

Sincerely yours,
M. H. HAYDAK.

YOUNGSTOWN, OHIO.

DEAR CONGRESSMAN: On the occasion of the 150th birthday anniversary of Taras Shevchenko in 1964, a special resolution—House Joint Resolution 174—calling for the issuance of a Shevchenko Champion of Liberty postage stamp was introduced by you.

My family and I are giving full support to this proposed resolution and we would like to see this stamp issued by the U.S. Government. We would also like you to write to the President to authorize the issuance of this U.S. postage stamp.

Sincerely yours,
ROMAN HORBACHEWSKY.
HELEN HORBACHEWSKY.
TARAS HORBACHEWSKY.
YAREMA HORBACHEWSKY.

Hon. T. DULSKI.

DEAR MR. DULSKI: I am solidly behind your resolution calling for the printing of a special postage stamp to honor Ukraine's great freedom fighter and poet laureate, Taras Shevchenko.

Sincerely,
JOHN A. TOMINK.

CORFU, N.Y.

WARMINSTER, PA.,
October 22, 1963.

CONGRESSMAN DULSKI,
U.S. House of Representatives.
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DULSKI: I am a student of William Tennent High School studying geography.

I have heard of your House Joint Resolution 174. I would like you to know that you have my complete support in calling for the issuance of a Shevchenko champion of liberty postage stamp.

Respectfully,
DONNA-MARIE WOODS.

PHILADELPHIA, PA.,
October 26, 1963.

Hon. THADDEUS J. DULSKI,
New House Office Building,
Washington, D.C.

DEAR SIR: We Americans of Ukrainian descent wish to thank you for introducing House Joint Resolution 174 on the issuance of a Shevchenko champion of liberty postage stamp in 1964.

We support your resolution wholeheartedly and hope that it will be passed in the U.S. Congress in the near future.

Cordially yours,
(Signed by 12 persons.)

DEAR SIR: I am in favor of House Joint Resolution 174 for Shevchenko champion of liberty stamp for 1964.

Sincerely,
HELEN S. PROCINK, M.S.

UKRAINIAN CONGRESS COMMITTEE OF AMERICA,
BRANCH BINGHAMTON, N.Y.,
Binghamton, N.Y., October 10, 1963.

Hon. THADDEUS J. DULSKI,
Member of U.S. Congress,
New House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DULSKI: We wholeheartedly support your resolution (H.J. 174) calling for the issuance of a special Taras

Shevchenko champion of liberty postage stamp by the U.S. Government in honor of the greatest Ukrainian poet and freedom fighter on the 150th anniversary of his birth.

Our organization appreciates your foresight and wisdom in proposing issuance of such a stamp, and thanks you very much for your initiative.

By recognizing the great significance of Taras Shevchenko as champion of liberty the United States would contribute very much toward the cause of freedom of all nations oppressed by Communist slavery and tyranny.

On May 30, 1964, the statue of Shevchenko will be unveiled in Washington, D.C., with the occasion of 150th anniversary of the poet's birth.

We sincerely hope that the present administration will similarly honor his historic contributions to the national and human freedom in Eastern Europe by arranging for Taras Shevchenko champion of liberty stamp issue at that time.

Respectfully yours,

WALTER FEDANKIW,
Chairman.
WILLIAM IVANONKO,
Secretary.

LOS ANGELES, CALIF.,
October 12, 1963.

Hon. THADDEUS J. DULSKI,
House of Representatives,
Washington, D.C.

DEAR MR. DULSKI: I am wholeheartedly supporting your House Joint Resolution 174 calling for issuance of a Shevchenko champion of liberty postage stamp in 1964.

Sincerely yours,

E. M. TYSHOVNYTSKY.

NEW YORK, N.Y.
October 15, 1963.

Hon. THADDEUS J. DULSKI,
Member of Congress.

SIR: I solemnly support your House Joint Resolution 174, calling for the issuance of a Shevchenko champion of liberty postage stamp in 1964.

Sincerely yours,

IVAN LOZOWY.

SHEVCHENKO SCIENTIFIC SOCIETY, INC.,
New York, N.Y., October 8, 1963.

Hon. THADDEUS J. DULSKI,
Member, U.S. Congress,
New House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DULSKI: The First Ukrainian Academy of Liberal Arts and Sciences, the Shevchenko Scientific Society, Inc., which has as its patron the bard of Ukraine, Taras Shevchenko, presents to you on behalf of all American scholars of Ukrainian descent our cordial thanks for the House Joint Resolution 174 calling for the issuance of a stamp in honor of Taras Shevchenko in the series of the Champion of Liberty postage stamps issued periodically by the U.S. Government.

We ask you to appeal to all Members of Congress to speed up the voting on your House joint resolution in order that this enthusiast of George Washington may be honored in such a way on his 150th birthday anniversary in 1964.

Should the Postmaster General need any scholarly advice in the matter of selection on a proper picture, our specialists are at his service.

Respectfully yours,

ROMAN SMAL-STOCKI, Ph. D.,
President,
Marquette University.
JOSEPH ANDRUSHKIW, Ph. D.,
Vice president,
Seton Hall University.
BASIL STECIUK, Ph. D.,
Secretary,
Seton Hall University.

OHIO STATE UNIVERSITY,
Columbus, Ohio.

Hon. THADDEUS J. DULSKI,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR SIR: It was to my great pleasure to learn of House Joint Resolution 174 which you introduced in January. I support your effort. Although I am not Ukrainian, I have joined the Ukrainian Student Club here because of my interest in Ukraine.

I am writing to you to inquire as to the present situation of House Joint Resolution 174 and the prospects of its favorable treatment. I am planning to call attention to your resolution in the club here. I hope we may support it in some way.

I thank you for your kind assistance.

Sincerely yours,

ALLEN BINCKLEY.

WARMINSTER, PA.,
October 21, 1963.

Congressman THADDEUS DULSKI,
House Office Building,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: I am wholeheartedly in favor of the Dulski resolution calling for the assurance of a "Shevchenko Champion of Liberty" postage stamp. I strongly urge your support of this measure, and sincerely hope you will extend your fullest cooperation to assure its passage.

Yours very truly,

MARTIN A. REED.

WORDS NOT IN ORDER UNDER THE RULES OF THE HOUSE

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

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

There was no objection.

Mr. HALLECK. Mr. Speaker, of course, the Speaker for whom we all have the highest regard has ruled that the use of the words contained in the remarks of the gentleman from Texas [Mr. FOREMAN] are not in order under the rules of the House.

Certainly, it is not for me to quarrel with that decision. But on my responsibility here I just want to say that whatever words may have been used, in my opinion, do not justify the resort to force and violence here on the floor of the House or adjacent to the floor of the House. If that sort of conduct is to be condoned, then I am not going to condone it as far as I am concerned.

Mr. ALGER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALGER. Mr. Speaker, in view of the ruling of the Chair, if the words which were objected to were stricken from the material that the gentleman from Texas [Mr. FOREMAN] was presenting in its entirety—these words being stricken—could the balance of the remarks be inserted in the RECORD at this point?

The SPEAKER. That would be up to the House.

Mr. ALGER. So that the House might know what the gentleman was trying to say, but deleting the objectionable words, as the Chair has ruled.

The SPEAKER. That would be up to the House. Let the Chair answer the parliamentary inquiry. That would be up to the House, if the House permitted the gentleman from Texas to proceed in order.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. ALGER. I yield to the gentleman from Indiana.

Mr. HALLECK. That has already been objected to by the gentleman from New York [Mr. ROONEY]. I take it he meant his objection which, of course, effectively cuts off the opportunity of the gentleman from Texas [Mr. FOREMAN] to continue with the balance of his statement.

Mr. ALGER. My parliamentary inquiry, Mr. Speaker, is this: Mr. Speaker, I ask unanimous consent that after deleting the objectionable words that the gentleman be permitted to proceed or at least insert his remarks at this point in the RECORD.

The SPEAKER. The gentleman has put two propositions, one to proceed or to extend his remarks in the RECORD. Which unanimous consent request does the gentleman want the Chair to put first?

Mr. ALGER. Mr. Speaker, first, that the gentleman be permitted to proceed in order.

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

Mr. ROONEY of New York. Mr. Speaker, reserving the right to object, in view of the fact that I have had very little to eat today and it is now away past dinnertime, and since what I have heard so far of the remarks have prompted me to demand twice that the words of the gentleman be taken down, I object.

The SPEAKER. The objection is heard.

RULES OF THE HOUSE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. ALGER. Mr. Speaker, fully cognizant of the rules of this House and knowing that on the floor of this House we all protect each other under those rules when one of our Members, any Member on either side of the aisle, is threatened with a pistol whipping and nobody speaks up, that is not the rule as I understand it here.

Mr. ROONEY of New York. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from New York.

Mr. ROONEY of New York. Mr. Speaker, I want the gentleman from Texas [Mr. ALGER] to understand that I know nothing about this so-called pistol-whipping threat, I know nothing about any altercation. All I know is that no Member of this House, regardless of which side he sits on, is entitled to go down into the well and make a speech such as was started here this afternoon.

Mr. ALGER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

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

Mr. ROONEY of New York. Mr. Speaker, I object.

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

Mr. ROONEY of New York. Mr. Speaker, I object.

STATEMENT

Mr. CORMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. CORMAN. Mr. Speaker, I would like to make an inquiry of the minority leader because I respect his sense of justice. I think the record may be confused.

The only gentleman's name who has been mentioned so far was that of my colleague from California [Mr. EDWARDS].

Will the gentleman indicate he did not imply that my colleague from California [Mr. EDWARDS] was guilty of using force against another Member?

Mr. HALLECK. Not as I understand it.

ALASKA

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

Mr. LIBONATI. Mr. Speaker, at the invitation of the Secretary of the Army, Elvis J. Stahr, Jr., Representative Roland V. Libonati, Democrat, of Illinois, as chairman, member of the House Committee on the Judiciary; Representative John M. Slack, Jr., Democrat, of West Virginia; Representative George E. Shipley, Democrat, of Illinois, and Mr. George A. Urian, professional staff member of the House Committee on Appropriations, accompanied by Lt. Col. William D. Lynch, Department of the Army representative, visited several countries of the Orient, and Alaska, to study field operations, modernization, availability, training programs, including contributions of the services to the American image, the reaction of the people to American intervention and interest, the philosophical, historical, and social background of these states, together with a study of their economy, problems, and attitudes toward the Western nations.

Upon our arrival at the airport at Anchorage, Alaska, we were warmly received by Lieutenant General Mundy, USAF; Maj. Gen. Ned D. Moore, USA; Maj. Gen. Wendell W. Bowman, USAF; and Rear Adm. Fred E. Bakistis, USN.

During our stay in Alaska, Gen. Ned D. Moore did everything possible to insure the success of our assignment responsibilities and looked to our comfort. Everyone of the group admired and respected this great American. His fine record of service to his Nation reflects the highest sense of patriotic effort. As a leader of men he stands alone. There need be no fear—Alaska is in strong military hands. May we pay this worthy tribute to a great general—by recording his record here for posterity.

COMMANDING GENERAL U.S. ARMY, ALASKA, NED D. MOORE, MAJOR GENERAL, U.S.A.

Maj. Gen. Ned Dalton Moore was born December 23, 1906 in Guthrie Center, Iowa. In 1924, he was graduated from Tulsa High School, Tulsa, Okla., and was commissioned a second lieutenant in infantry upon graduation from the U.S. Military Academy in 1930.

Prior to World War II he served with various infantry units and attended the infantry school at Fort Benning, Ga., reaching the rank of captain on June 12, 1940.

Early in World War II, General Moore was assigned to the 101st Airborne Division and remained with the division throughout its training in the United States and its service in Europe. From August 1942 until February 1945 he served as G-1 of the division, assuming the additional duty of Acting Chief of Staff in December 1944 during the historic stand of this division at Bastogne. In February 1945 he was named chief of staff of the division and remained in this position until inactivation of the division in December 1945 when he returned to the United States. While serving with the 101st Airborne Division in the European theater, he participated in the Normandy, Rhineland, Ardennes, and Central Europe Campaigns.

Between World War II and the Korean war, General Moore was assigned to the U.S. Military Academy as public information officer and attended the Armed Forces Staff College at Norfolk, Va. Returning to oversea service in 1948, he was assigned to Japan and commanded the 188th Parachute Infantry Regiment and later the 17th Infantry Regiment. In September 1949 he was assigned as deputy and executive officer of the G-3 section, Headquarters 8th Army.

After the outbreak of the Korean war, he was assigned to command the 19th Infantry Regiment of the 24th Infantry Division, then fighting in Korea, a command he held until evacuated to Japan in February 1951. While he commanded the 19th Infantry, that unit participated in four Korean campaigns and some of the most bitter fighting of the war. During this period, he was awarded, among other decorations, the Distinguished Service Cross.

He returned to the United States after a period of hospitalization and attended the National War College from August 1951 to August 1952 when he was assigned to the Army General Staff as Chief of the Military Personnel Management Division in the Office of the Assistant Chief of Staff, G-1.

In September 1953, General Moore arrived in Korea for his second tour and served as Chief of Staff, Headquarters IX Corps—Group—until May 1954 when he was assigned as Chief of the Army Section, Military Assistance Advisory Group, Japan.

He remained in Japan until May 1956 when he was assigned to the Office of the Deputy Chief for Supply and Logistics, Department of the Army. In October 1958, General Moore was assigned as director of the Office of Personnel Policy in the Office of the Assistant Secretary of Defense for Manpower, Personnel, and Reserve. As a result of an interagency reorganization in February 1961, General Moore was further assigned as director, Reserve Affairs and Readiness Plans, in the Office of the Assistant Secretary of Defense, Manpower.

General Moore assumed command of the U.S. Army, Alaska forces, on June 11, 1962.

THE UNIFIED ALASKAN COMMAND

The officers and men of the Alaskan Command—Alcom, one of the seven unified military commands in the U.S. Defense Establishment, guard the polar gateway to the heartland of the United States. Sometimes called the "last frontier," the Alaskan theater is just a few miles from Soviet Russia.

Lt. Gen. George W. Mundy, USAF, commander in chief, Alaska—CINCAL, directs ALCOM forces from his headquarters at Elmendorf Air Force Base near Anchorage, Alaska. ALCOM is the catalyst that melds Army, Air Force, and Marine Corps fighting men in Alaska into a unified and smoothly functioning modern defense team.

Forces assigned to General Mundy's command include those of the U.S. Army, Alaska and the Alaskan Air Command. The Alaskan Sea Frontier is the Navy component of ALCOM. The Navy command occupies a unique position in that the commander, Alaskan Sea Frontier receives his operating forces from commander in chief, Pacific Fleet for Navy operational matters. Close coordination exists between CINCPAC and CINCAL on matters pertaining to sea defense in Alaskan waters.

Air defense forces of the Army and Air Force are assigned to CINCAL. Because air defense of North America is integrated into a single command, operational control is exercised by the commander in chief, North American Air Defense Command. General Mundy, at the direction of the Joint Chiefs of Staff, commands the Alaskan NORAD Region. In this capacity he is responsible to the commander in chief, North American Air Defense Command, and directs all air defense activity in Alaska.

The Alaskan Command, first of the joint commands, was activated on January 1, 1947, by the Joint Chiefs of Staff. It was organized as a joint command to improve coordination and control of military operations. The Department of the Air Force was designated executive agent for the Alaskan Command, and communications to and from Department of Defense were directed through Headquarters, USAF. The Air Force was charged with this responsibility because Alaska, at the time, was considered primarily an "air theater."

The "executive agent" concept prevailed until December 1, 1958, when the

Defense Department Reorganization Act realined DOD and redefined its functions and those of its major components. It provided for operational direction, authority, and control by the Secretary of Defense through his operating agency, the Joint Chiefs of Staff. Unified and specified commands were established. Commanders of the newly established commands acquired operational control over assigned forces, and they became responsible to JCS rather than one of the military departments.

ALCOM's history is replete with names of well-known military leaders. The first commander was Lt. Gen. Howard A. Craig, January–October 1947; followed by Lt. Gen. Nathan F. Twining, November 1947–July 1950; Lt. Gen. William E. Kepner, August 1950–March 1953; Lt. Gen. Joseph H. Atkinson, April 1953–September 1956; Lt. Gen. Frank A. Armstrong, Jr., October 1956–July 1961. General Mundy assumed command on August 1, 1961.

The ALCOM missions enunciated by JCS include: Defense of Alaska—except for air defense, a responsibility of CINCNORAD, and defense of Alaskan waters, a responsibility of CINCPAC—and support of other Department of Defense unified and specified commands operating in or through Alaska.

The ALCOM mission is accomplished by assignment of tasks to the Army, Navy and Air Force component commanders.

The CINCAL, assisted by his joint staff of Army, Navy, Air Force and Marine Corps officers and men, directs and coordinates the ALCOM effort. His staff and triservice forces jointly contribute to the defense effort. This unified effort results in a mission oriented combat team. Moreover, ALCOM's unified command organization makes all theater forces highly responsive to the JCS. A look at ALCOM forces and its diversified activities reveals the scope of unified command action in Alaska.

Forces available in Alaska consist of some 40,000 soldiers, sailors, airmen, marine and civil service employees. They operate in the weather and terrain of the far north—much of which is uninhabited—an area one-fifth the size of the United States. The distance from eastern to western Alaska is comparable to the distance from Savannah, Ga., to San Diego, Calif. Alaska is geographically remote from the continental United States, but it is a key outpost of the northern defense structure.

ALCOM personnel man this outpost from Point Barrow and Lisburne in the north to Kotzebue, Wales, and Nome opposite Siberia and Soviet troops in the west. Forces are located on Kodiak and in the Aleutian Islands to the southwest.

The composition and missions of the Army, Navy, and Air Force organizations in Alaska bring ALCOM into better focus.

U.S. ARMY, ALASKA

The headquarters of the Alaskan Command's ground arm, U.S. Army, Alaska—USARAL—is located at Fort Richardson in the Anchorage complex. Other major U.S. Army, Alaska, units are stationed at Fort Wainwright—formerly Ladd AFB—Fort Greely, and Eielson AFB.

USARAL is charged with ground defense of the Alaskan Command. Two battle groups, reinforced with armor, are strategically located to protect the Anchorage and Fairbanks complexes. The officers and men of these units are among the best trained cold weather combat troops in the U.S. Army.

ALSEAFRON tasks are many and varied. Training personnel in cold weather operations is one major activity in which units from other Navy commands are sent to Alaska on temporary duty. Seabee battalions and aerial patrol squadrons and many other Navy units have benefited from this training.

The vastness of Alaska is exceeded only by that of the ocean areas contiguous to land mass. The additional security clamp provided by ALSEAFRON is essential to effective surveillance of the Polar Gateway.

Icebreakers similar to the U.S.S. *Staten Island* penetrate the Arctic ice each year to assist in resupply shipping in Alaskan waters.

ALASKAN AIR COMMAND

The Alaskan Air Command—AAC—is the air component of the Alaskan Command. Headquarters, AAC is located at Elmendorf AFB. The officers and men of AAC are justifiably proud of their slogan "top cover" for America.

AAC's aircraft control and warning mission is accomplished by two bands of AAC radar sites. The outboard band consists of the Alaskan segment of the DEW line extension along the Arctic Ocean, connecting with early warning sites ranging down the Chukchi and Bering coasts which, in turn, link with the DEW line extension in the Aleutian Islands chain. Situated inland, the second band is formed by the radars of ground controlled intercept sites. The collected data is fed into four master direction centers where it is evaluated and sent through the region combat operations center directly to NORAD. This responsibility, as indicated previously, is discharged by CINCAL in his capacity as Commander, Alaska NORAD region.

The aircraft control and warning squadrons and the Aleutian DEW line stations are manned by AAC. These are referred to as "remote sites." The Alaskan segment of the northern DEW line is operated under civilian contract. In less time than it takes to read this sentence, the detection of hostile aircraft by any of ACW or DEW line stations can be flashed to Headquarters, ALCOM, NORAD Headquarters in Colorado Springs or SAC Headquarters in Omaha. Manned day and night by dedicated personnel, this electronic perimeter defense provides protection for this northern entrance to North America.

Early warning is only one of the major missions of AAC. Alaskan skies are patrolled by AAC's Elmendorf based all-weather F–102 Delta Dagger fighter interceptors. The use of forward bases increases the effectiveness of these aircraft immeasurably by permitting a better alert mobility and maximum protection for the greatest number of sensitive target complexes.

All-weather F–102 "Delta Dagger" interceptors of AAC gives the Alaskan Command theaterwide air defense.

Remote sites, operational around the clock, form an electronic defense perimeter against undetected access to North America.

Distant Early Warning—DEW—line and Aircraft Control and Warning—ACW—sites dot the coast and interior of Alaska and the Aleutian Islands.

The famous Eskimo Scouts of the Alaska National Guard work closely with Army units and represent a potential augmentation of ground forces in Alaska which can be available almost immediately.

USARAL contributes to the air defense posture and provides two Nike-Hercules battalions for the air defense of Alaska. The fire power of these missile battalions is integrated with the striking force of the Alaskan Air Command's F–102 interceptor jets and located to defend against air attack in the Anchorage and Fairbanks complexes.

USARAL offers several unique training opportunities also. Its Nike batteries in the Anchorage and Fairbanks areas, for instance, are the only Nike units in the U.S. Army that are able to accomplish on-site live firing. This, of course, is due to the low density of population adjacent to the battery positions.

Also, the Army in Alaska is able to take advantage of environmental training conditions—unhampered by many of the property rights restrictions so often incurred in the continental United States.

The USARAL organization is tailored to provide a responsive, economical, and efficient accomplishment of tasks. In addition to the above activity, the U.S. Army Cold Weather and Mountain School at Fort Greely is the focal point for the development and testing of cold weather doctrine for the entire U.S. Army.

Ground forces of USARAL hold regular winter training exercises designed to make them some of the best trained cold weather combat troops in the U.S. Army.

Ground-to-air Nike-Hercules battalions located in the Anchorage and Fairbanks areas give USARAL a potent air defense capability.

Alaska's rugged terrain offers U.S. Army forces the best training possible under ideal environmental conditions.

ALASKAN SEA FRONTIER

The Alaskan Sea Frontier—ALSEA FRON—with its headquarters at Kodiak Island is ALCOM's sea arm. The ALSEAFRON mission involves protection of sea communications, reconnaissance of Alaskan waters, submarine and antisubmarine operations, mining, and harbor defense, and control and protection of shipping. As indicated earlier, these responsibilities are discharged under direction of CINCPAC but also meet CINCAL's requirements.

The vast geographical expanse of Alaska is ALCOM's zone of responsibility—a zone enclosed by the North Pacific Ocean, the Bering Sea, the Arctic Ocean, and Canada. The northern reaches of the Pacific Ocean and the Bering Sea are the major areas of ALSEAFRON's interest, but the Navy is concerned also with the Arctic Ocean. Navy surface craft and patrol aircraft materially as-

sist ALCOM in surveillance of international waters.

Alaskan Sea Frontier Neptune patrol bombers based at Kodiak Island provide the Alaskan Command with aerial surveillance of international waters.

SUPPORTS SAC

Alaska also provides launching platforms and support for Strategic Air Command bombers and tankers at Elmendorf and Eielson Air Force Bases. SAC bombers and tankers are on rotational alert at these bases around the clock.

Existing ALCOM forces deny freedom of action in Alaska to a potential aggressor. In addition to these forces, augmentation can be provided as determined by JCS.

In addition, the CINCAL may assume, under certain conditions, temporary operational control over certain other available Department of Defense forces in Alaska in an emergency. This control does not apply to forces scheduled for, or actually engaged in the execution, under war plans approved by the Joint Chiefs of Staff, of specified operational missions which would be interfered with by the use of these forces.

ALCOM, in addition to its coordinating operational role, is the balance wheel in a host of services which, by dictates of economy, efficiency, or complexity, lend themselves to centralized organization and direction.

COMMUNICATIONS

Communications is perhaps the most interesting example of the Alaskan Command providing central direction to an activity beyond the scope, interest, and capability of a single service.

The CINCAL is responsible for adequate communications to support the operational mission of his and the component commands. Moreover, though not commonly known outside of Alaska, because there is no private enterprise long-distance telephone or telegraph toll service company in the theater, the civil populace has access to and uses military circuits.

In 1900, the Secretary of War was directed to provide communications between Washington, D.C., and the military in Alaska. He was authorized also to provide civil communications in the Alaskan Territory. These means of communications are the only ones available to civilians in many remote areas today.

Located adjacent to ACW sites White Alice stations enhance communications within Alaska and between Alaska and the remainder of the world.

Radio circuits were used almost exclusively until 1942–43 when an open wire pole line was built along the Alaska-Canada Highway. With the advent of the early warning radar defense system, high frequency radio communications were not sufficiently reliable. A system was adopted which tied the aircraft control and warning network into the long lines wire system at communications centers in Anchorage and Fairbanks.

In the arctic and subarctic regions there are numerous communications problems. Severe weather conditions take a heavy toll on any land line or buried cable system. On the other hand, the proximity of the earth's magnetic pole has serious effects on radio operations.

To obtain reliable communications a different approach had to be used. Western Electric Co. designed and installed a system for ALCOM known as White Alice. This was the first large scale application of a new communications technique.

White Alice is a radio relay communications system using an over-the-horizon radio transmission called forward propagation tropospheric scatter. This dramatic new form of ultra-high-frequency radio leaps up to 200 miles at a single stride by bouncing part of its radio beam off the troposphere. It can carry many voice and telegraph transmissions simultaneously and has voice quality equal to any regular telephone system.

White Alice stations are located adjacent to most of the remote radar sites to form a close-knit communications system in Alaska. The system also serves the civilian population as well as military and other governmental agencies.

The ballistic missile early warning system—BMEWS—complex at Clear, Alaska, plays a vital role in the strategic defense of the United States.

This elaborate and expensive system is under the control of the Department of Defense. On October 1, 1961, the Defense Area Communications Control Center, Alaska, of the Defense Communications Agency, assumed operational direction of the defense communication system within Alaska and between Alaska and the remainder of the world.

The construction of a ballistic missile early warning system—BMEWS—station in Alaska is an indicaiton of Alaska's importance in the strategic defense of North America. But this BMEWS station at Clear, Alaska, complicates communications requirements. Communications support for this site require other major augmentation and improvements in the system. Communications construction has provided simultaneous transmission of data from Clear over two independent paths to Colorado Springs, Colo.

The missile detection alarms system—MIDAS—the first station constructed at Donnelly Flats, Alaska, necessitated further refinement of the system.

A system out the Aleutian chain to Shemya has been installed and is in operation.

An automatic dial system has been integrated into the overall system providing for the first time an automatic dial capability anywhere in Alaska.

RESUPPLY

Logistical support is another function of the Alaskan Command which becomes a most complex operation, influenced greatly by: First, vast distances; second, limited surface transportation; third, difficult terrain, and fourth, extreme variations in weather.

Each military department is responsible for logistic support of its own forces in Alaska unless otherwise provided for by assignment or interservice support agreements. The CINCAL has directive authority in logistic matters to: First, insure effectiveness and economy of operations; and second, prevent or eliminate duplication of facilities and overlapping of functions among the components. For example, USARAL supports not only its own requirements but several of those of the Alaskan Air Command, other DOD commands stationed in Alaska, the Army National Guard and Alaskan Reserve units. In other instances, Army and Navy requirements are supported by AAC.

The distribution of petroleum in the Alaskan theater is another example of ALCOM coordination and planning to satisfy component requirements. The theater's 626-mile military pipeline is a key feature of petroleum distribution in Alaska. Aviation gasoline, Mogas, diesel, and jet fuel are received in bulk terminal facilities in the deep water port of Haines, Alaska, from ocean tankers. From this point, petroleum products are transported by an 8-inch multiproduct pipeline through the coastal mountain range, plateaus, and valleys of the Yukon and British Columbia territories and Alaska to the distribution terminal at Fairbanks. Petroleum products are delivered from the Fairbanks terminal to military units by air, road, railroad, river barges, and pipelines. The initial cost of the project was $38,249,796. The products in the line at any time during operations are valued in excess of $1,500,000.

In addition to the pipeline complex, ocean tankers arrive at Anchorage during the ice-free period from early May to mid-November. Sufficient bulk storage facilities are available to meet normal military consumption demands during the winter season when the port is icebound.

The port of Whittier, with dock and storage facilities, is available year round to meet any unusualy high petroleum demands. Navy and Air Force petroleum requirements on the Aleutian chain are supplied by MSTS tanker and commercial carriers. This complex petroleum distribution system in Alaska is successful because of cooperation by all services and the joint coordination directed by the Alaskan Command Headquarters.

Transportation is a vital link in the successful accomplishment of the logistic mission. The coordination of surface transportation of Army and Air Force supplies moving to and within Alaska is an Army responsibility. Air transportation movements of similar supplies is an Air Force responsibility.

This mutually supporting logistical arrangement to satisfy the requirements of all users in the theater is dependent on centralized ALCOM direction and mutual compliance by the components. These programs are formalized in interservice support agreements.

The U.S. Army petroleum terminal at Haines, Alaska, receives petroleum products and transports them by an 8-inch, 626-mile, military multiproduct pipeline to the distribution terminal at Fairbanks, Alaska.

Commercially operated barges perform the giant task of carrying out the annual resupply operation called Mona Lisa.

Each spring, massive 13-month stocks of nonperishable supplies are delivered to remote sites.

Only five major military installations, Elmendorf and Eielson Air Force Bases, Forts Richardson and Wainwright, and the BMEWS site at Clear, Alaska, enjoy rail service. Only 2 of 24 ACW stations are accessible by road. Of the remaining 22 sites, 2 are accessible by air only, and the rest are resupplied by water routes during the short Arctic summer months. The limited means by which supplies can be delivered has resulted in an annual resupply operation by water called Mona Lisa—a joint Army, Navy, Air Force operation.

Mona Lisa begins each spring as the ice pack recedes from the Arctic coast. Large barges, originating at west coast ports, are towed through the Bering Straits and up the mighty Yukon with massive 13-month stocks of nonperishable supplies for delivery to the remote sites. As each annual resupply operation phases out, logistic planners are determining supply requirements for next year's Mona Lisa.

Mona Lisa, however, is unable to satisfy all of ALCOM's resupply requirements because of the continuing demand for perishable food stuffs, spare parts, high value items, and mail. C-123-type aircraft of the Alaskan Air Command meet the need of the remote sites with weekly aerial delivery of tons of supplies.

Ships of the Military Sea Transportation Service transport military personnel, dependents, and cargo to Alaska during the summer months. Navy and Air Force petroleum requirements on the Aleutian chain are satisfied by MSTS tankers as well as commercial carriers.

Probably nowhere in the world is there a continuing resupply operation faced with such demanding conditions, as most of the remote sites are in rugged mountain terrain and completely dependent on this delivery system. Primitive "bush" landing strips scraped from the sides of mountains often provide the only landing and departure facilities for the resupply aircraft.

In any event, this complex logistic chain cannot be permitted to break. Planning must be accurate. Implementation by air, sea, or land must be accomplished on schedule, or the results would be adverse, critical, and costly.

Other command activities requiring ALCOM's control, direction, and supervision are legion. Civil affairs, for instance, encompasses day-to-day relations between ALCOM and the State and local governments. Normally associated with commands on foreign soil, civil affairs is a major function in Alaska. This is due to the initial problems of statehood and the impact of a military population—including dependents—which exceeds one-fourth the total population.

The Alaskan Command is vitally concerned in areas of mutual interest to civilian and military communities. Civil defense, disaster relief, rescue operations, and wildlife and natural resource conservation are but a few that require considerable ALCOM consideration and expenditure of money.

There is another unique problem in Alaska—river ice. With the spring thaw, ice piles up and dams the streams causing floods which imperil civilian communities. When this occurs, civil defense authorities call on ALCOM for aid if relief is beyond State capabilities. Navy and Air Force aircraft, armed with 500-pound bombs and Army demolition teams blast key points in the ice jams to overcome the danger to communities concerned.

Tons of perishable foodstuffs, spare parts, high value items and mail are delivered weekly to ACW sites by C-123 "Provider" aircraft of AAC.

Civil affairs is but one example of how ALCOM's unified command structure pays dividends beyond the scope of operations. Others include: Supervision of the Army and Air Force exchange and motion picture services; the Armed Forces radio service; the U.S. Armed Forces Institute; public information; protocol planning for distinguished foreign and U.S. visitors, and USO professional entertainment programing. Coordination of these activities at the Headquarters, ALCOM, level insures equitable benefits to personnel of all components and their dependents.

The Alaskan Command Headquarters directs and coordinates the efforts of its Army, Navy, and Air Force components in operations and general administration. The result of this central direction is a unified military effort in the Alaskan theater. Emphasis on teamwork and unified action in the Alaskan Command has not resulted in roles of lesser importance for the components, but it has resulted in a centrally planned and executed defense program.

The opinion held by some observers that the Alaskan theater is vital to U.S. strategic plans is not new. Gen. "Billy" Mitchell, for instance, told the House Military Affairs Committee in 1935, "Alaska is the most important strategic place in the world." On another occasion, Gen. Carl A. Spaatz, USAF, said, "Whoever controls the Arctic airlanes, controls the world today."

Today, many observers believe Alaska's vast uninhabited areas, natural mountain-hardened sites, and strategic geographical location make it an ideal launching platform for aircraft and missiles. Moreover, they say, money spent on strategic defense construction in Alaska is money spent in the United States, and the fledgling 49th State could use a Federal program to assist its economic and industrial development.

This is the story of the Alaskan Command—its past, present, and future. Regardless of what the future holds for the Alaskan theater, the Unified Alaskan Command is prepared to accept all challenges with a triservice demonstration of integrated teamplay.

National objectives and policies involving the far north can be translated into military action immediately if the situation demands because of the direct link between the Joint Chiefs of Staff and ALCOM. This immediacy of response by theater forces, fused into a single team by the unified command, spells successful defense planning.

HISTORY OF MILITARY IN ALASKA BEGAN IN 1867

The history of the U.S. military in Alaska began October 18, 1867, at Sitka, when the U.S. flag was raised over Alaska for the first time and control of the area passed from Russia to the United States.

The flag-raising ceremony at Sitka was symbolic, for it was the first unified action taken in Alaska by our Armed Forces. An Army infantry company and an Army artillery battery, under the command of Brig. Gen. Jeff C. Davis, U.S.A., saluted while a Navy midshipman ran up the colors.

General Davis assumed command of the territory and it remained an Army responsibility for the next 10 years. During the decade, a garrison of 500 officers and men was assigned to Alaska. Headquarters was maintained at Sitka and posts were established at Wrangell, Tongass, Kenai, and Kodiak.

Unrest among the Nez Perce Indian Tribes in Idaho during 1877 brought about the transfer of our troops from Alaska to that locale. For the next 2 years Alaska was controlled by the Treasury Department. During that time, natives and lawless adventurers proved more than Treasury officials could cope with and, in the spring of 1879, Navy vessels were diverted to Alaska to restore order. Upon their arrival, Navy officers formed a quasi-military government and directed Alaskan affairs until 1884, when congressional action organized a civil government.

The gold rush of 1897 and a surge of lawlessness in interior Alaska brought the Army back. In addition to preserving law and order, the troops constructed roads. With the advent of the Alaska Communication System in 1900, communication from the Territory back to the United States was established by the Army and its technicians.

Military forces in Alaska were never large until the beginning of World War II. Even the First World War bypassed Alaska. As late as 1939, the one active military establishment was manned by 11 officers and 286 enlisted men.

However, when World War II began, our military strategists authorized a buildup in Alaska to meet the threat presented by the Axis. The Army Air Corps recommended that airfields be established at Fairbanks and Anchorage. The sites were selected on the basis of a 1934 study by Lt. Col. Henry H. Arnold who had led an Alaskan mapping and survey mission.

The Army activated Fort Richardson and other posts, but when the Japanese attacked Pearl Harbor, there were only token ground forces and 32 military aircraft in the territory. The Navy was somewhat better off because three of its main bases, Kodiak, Sitka, and Dutch Harbor, were already established.

The Japanese first hit Dutch Harbor when aircraft from two carriers bombed the Navy installation on June 3, 1942. The enemy followed up by occupying Kiska and Attu in the Aleutian Islands.

Retaliation by U.S. Forces took place 8 days later when B-24s bombed enemy troops on Kiska.

On May 11, 1943, Army troops operating under Navy cover, landed on Attu and regained control of the island after 19 days of bitter fighting. On August 15, 1943, our troops moved onto the beaches of Kiska unopposed, for the Japanese had abandoned the island 2 months earlier.

From that date on, Alaska was a quiet sector of World War II. The 11th Air Force carried on bomber missions against the Kurile Islands, but many Army, Navy and Army Air Force personnel and their equipment were diverted to other theaters where they were more urgently needed.

Since shortly after World War II, the Joint Chiefs of Staff have maintained operational control of military operations in Alaska; first, through a joint command and now through the Unified Alaskan Command.

Military power, centralized near the coast lines in World War II has been pulled back to complexes in the Anchorage and Fairbanks areas. The concept which makes "airpower the key to Alaska's defense" is responsible for this shift in locations.

What the future history will be is uncertain. But military planners, beginning with Gens. Billy Mitchell and Henry A. "Hap" Arnold, have been impressed with Alaska's strategic location and the vital role it must one day play in our national defense program. Predictable facts do not detract from the importance of the area in this age of space.

THE 49TH STATE—THE ALASKA HIGHWAY

There are approximately 4,000 miles of roads in Alaska, 2,000 of which are maintained the year round; 2,595 miles are secondary roads. The famed Alaska Highway is open all year and extends 1,423 miles from Dawson Creek, Canada, to Delta Junction, Alaska. Only 202 miles of it is in Alaska. Distance from Seattle, Wash., to Fairbanks, Alaska, is approximately 2,350 road miles.

Geography lesson: Alaska's 586,400 square miles makes it twice as big as Texas and one-fifth the size of the entire Continental United States. The population of the 49th State, 226,167—1960 census—is about one-third that of the District of Columbia which is crowded into 10 square miles.

Original inhabitants: About 15 percent—34,000—of Alaska's residents are Aleuts, Eskimos, or Indians.

Blue chip: We paid Russia $7.2 million for the 49th State. Since then—1867—value of gold mined in the purchase lands is valued at about $1 billion, a 14,300-percent return on the original investment.

Mother lode: About 75 percent of Alaska has been subjected to surveying parties; 31 of the 33 minerals considered strategic to our national economic growth have been found in Alaska.

Solid black gold: Coal is as valuable as gold to modern Alaska. Each year millions of dollars worth of coal is mined. Sand and gravel excavation is also worth millions of dollars annually.

Principal industry: $90 million annually makes catching and processing fish Alaska's principal industry. Species exported are salmon, halibut, herring, cod, shrimp, clams, and crab.

Fur trapping: Mink, marten, beaver, fox, fur seal, muskrat, otter, and lynx trapped in Alaska are valued at approximately $4 million annually.

Down on the farm: Estimates of cultivatable land range from 1 to 5 percent of the total 365 million acres. Approximately 2 percent of 867,000 acres are in farms. In the south-48, 21 percent of the land produces crops.

They could blow their tops: Thirty-four active volcanoes make up an interesting segment of Alaska's geography. Other items include treeless tundra, glaciers, mountains, swamps, rivers, and islands to the tune of 63 percent of total area. The remaining area is possible farmland and forest. Commercial timberland of Alaska's vast forests totals 44 million acres.

KENAI OILFIELD

Since the first commercial oil well was brought in on the Kenai Peninsula more than 40 producing wells have been drilled on the peninsula and drilling is expected to continue for some time to come. Each year millions of dollars worth of petroleum is being produced. Also, in the Kenai field are numerous producing natural gas wells, three of which serve the Greater Anchorage area.

These long winter nights: About 20 to 25 percent of Alaska lies above the Arctic Circle. Winters and winter nights are long and cold. Summers are brief but there is enough light to play baseball at night.

Imported diet: Most of the food Alaskans eat, approximately 80 percent, has to be imported from the south-48 or elsewhere.

Best customer: Since 1947, the Alaskan Command and its personnel have been one of the biggest customers for goods and services originating within Alaska. In a normal year, approximately 50 percent of the State's agricultural products are consumed by the military; the exchange system buys 3½ millions from State wholesalers; more than 452,000 tons of coal dug from Alaskan mines are bought and burned by ALCOM components, and a substantial but undetermined percentage of merchandise sold in retail shops is purchased by ALCOM personnel.

Sportsman's paradise: The long daylight hours of Alaska's summertime provide every imaginable type of rugged outdoor sport. Fishing for game fish in streams and mountain lakes, or deep sea fishing for the sporty salmon or the rugged halibut; hunting big game, black bear, the giant grizzly, moose, caribou, mountain sheep and goat, deer and wolf; or fall hunting for duck, goose, grouse, and spruce hen, provides endless variety and enjoyment.

Weather observers say Philadelphia's average temperature is similar to that of southeast Alaska. New England and western Alaska are comparable, and the Yukon Valley is compared to Montana and the Dakotas as far as climate is concerned.

Mr. Speaker, the State of Alaska is our national frontier geographically situated within a few miles distant from Russia.

In an offensive war the region is vast and mountainous—with numerous shelter pockets for our military forces, planes and war materiel and supply. And also an expansive pad for the launching of devastating missiles. Its coves and harbors a base for our Navy for both submarines and ships. The blessed land called Seward's Folly upon its purchase in 1867 from Russia for $7.2 million has been developed militarily as the most important key position in our extensive plans as a deterrent to enemy attack upon the United States proper. Under modern warfare development in the use of electronics—being of a proximate distance from Russia its manned scientific facilities serve as the eyes and ears of America in sounding the alarm of enemy operation through the intricate communication complex that rings the Northern Hemisphere. The danger warnings would save millions of lives and set off a counter missile offensive on enemy targets in a matter of seconds. Another important role assigned to the Alaskan forces would be to delay the advance of the enemy ground forces through harassment type of tactics for which they have been well trained for such an emergency.

The military positions are located in terrain that are well nigh impregnable and ideal for guerrilla operations. These could serve as landing areas for the mass movement of the airborne troops jackknifing the enemy from the front and rear in a pincher vise. Alaska stands as a monument to freedom in its military value to the purposes of defense and offense.

BRIEFING NOTES OF CDA USARAL PRESENTATION

This is an outline of the USARAL concept of northern operations, significant deficiencies in performance of equipment under northern conditions, and action which is being taken to correct these deficiencies and improve future northern operations capabilities.

CHARACTERISTICS OF NORTHERN OPERATIONS

U.S. Army, Alaska, is responsible for development of current and future doctrine for northern operations. Northern operations include all military operations conducted under the influence of northern environmental conditions—winter cold, the mud of spring and fall, and the muskeg and marsh of summertime.

COLD

These conditions are not limited to the Arctic and subarctic. This chart illustrates the 50° isotherm. This is the line north of which the mean temperature for the warmest 4-month period of the year is under 50° F.; it includes the Arctic and subarctic. This is the region most people think of when they talk about cold-weather operations.

But temperatures ranging from 20° to 50° below 0 may be encountered anywhere in Eurasia from Hungary eastward. This region of seasonal cold weather includes most of European Russia and its western approaches. In the German campaign in Russia during the winter of 1940–41, a temperature of 63°

below zero was recorded northwest of Moscow. A low temperature of −34° has been recorded on the shore of the Caspian Sea and a −25° has been recorded near the Black Sea.

Severe cold weather is a basic problem of military operations, not the private concern of USARAL.

MUD

Mud is a universal problem. A German general reported after the war:

"One of the startling reasons why Germany lost the war with Russia is that they based their mobility across Russia on wheels instead of full tracks. Nearly all transport operating in Russia consisted of wheeled vehicles which could not move on the mud roads. The wheeled transport was bogged down when the tanks could move on. Panzer forces with tracked transport might have overrun Russia before autumn, despite the bad roads."

The greater part of the supply transport in the U.S. Army today consists of wheeled trucks, and overall U.S. ground combat operations are nearly as vulnerable to mud as were those of the Germans and Russians in World War II.

MUSKEG

Muskeg and marsh exist in nearly all continental northern areas during the summer.

This photograph shows a self-propelled howitzer ploughing through a muskeg region near Fort Wainwright. It has broken through the surface and is traveling on a hard subsurface layer.

The marshes of Eastern Europe and the swamplands of southeast Asia present mobility and other combat operations problems similar to those created by Alaska's muskeg regions.

GENERAL CONCEPT OF NORTHERN OPERATIONS

The scale of force in northern operations may range from field armies down to guerrilla operations.

Large force operations under northern conditions in the wintertime differ little in essentials from operations in other environments, except that equipment performance is less dependable, low temperature operating techniques are required, and cold weather introduces friction into all operations.

At the other end of the scale, guerrilla operations have an important place in northern areas. In World War II, the large forest and swamp regions of European Russia were natural sanctuaries for partisan cells and provided ideal conditions for their purpose.

Guerrilla operations in northern areas place the greatest emphasis on individual combat effectiveness and take full advantage of the combat capabilities of the soldier who is well trained in northern operations.

THE INDEPENDENT TASK FORCE

Between the field army and the guerrilla band, the scale of force employed depends upon local conditions. In Alaska, for example, relatively small forces have the mission of controlling a large undeveloped region.

The independent, self-sustaining, combined-arms task force is the USARAL solution to this tactical problem. In order to operate freely over the large regions for which it is responsible, the task force with its essential vehicles and light artillery must be transportable by Army rotary wing or short takeoff and landing aircraft. On the ground, the force must be able to operate freely and flexibly across country with a minimum of Engineer construction support. To exploit the force's full combat potential, a higher ratio of Army air is required than in conventional operations. To maintain its mobility, the force must be able to cut free from its line of communications for relatively long periods; accordingly, it must include organic mobile supply and maintenance support elements. The line of communications for operations of extended duration must not be tied to fixed routes; LOC elements must have air and cross-country mobility equal to that of the supported task force.

DEFICIENCIES IN ENVIRONMENTAL PERFORMANCE OF CURRENT EQUIPMENT

Howitzers became bogged down in muskeg. It is the principal problem peculiar to northern summer operations—the limitation of vehicle mobility in marsh and muskeg.

Northern winter operations present many equipment problems.

U.S. ground forces can operate in extreme cold, but cold weather operations are difficult. During the last 2 weeks of December 1961, sustained extreme low temperatures occurred in the Fort Wainwright-Fort Greely-Tanacross area. For much of this period, the temperature remained below −60° Fahrenheit.

FOOT MOBILITY

A combat force does not realize its mobility potential when infantry companies during an advance sit in a bivouac waiting for vehicles to move them forward. Mobility improvement begins with training men to move on foot and training commanders to exploit the foot movement capability. Equipment development for better foot mobility requires improvement of boots, skis and snowshoes, lightening the individual soldier's equipment load, and improving support equipment and techniques.

A very light infantry support vehicle is needed to extend foot mobility of infantry elements by transporting crew-served weapons, ammunition and impedimenta. The vehicle must be small enough to be transported by the same light helicopter which moves the infantry squad. The XM571, which is under development by Canada, is designed to transport the personnel of the squad as well as its equipment but it appears to be too large and heavy for our purpose.

The new Thiokol ½-ton carrier is simple, austere and sturdy, and extremely mobile in swamp and over snow as well as on road, but it does not satisfy our requirements. It weighs about 2,800 pounds empty and is therefore not transportable with a load by H21 helicopter. At USARAL request, this vehicle was evaluated by the Transportation Board. This carrier may form the basis for a satisfactory all around infantry support vehicle. It is understood that the manufacturer is building a similar but smaller and lighter carrier.

Some other new commercial vehicles in this general weight class are being examined and we hope that shortly a light carrier will be available for use of all the agencies who are still patching World War II Weasels together to meet essential operating needs.

An unofficial low of minus 72° was recorded at Fort Wainwright and at Fort Greely an official minus 68° was registered; at that point the thermograph froze and the absolute minimum was not determined.

As a matter of interest, at the end of the cold spell, the temperature rose 111° in 48 hours.

During the extreme cold period, field wire broke when it was handled. Nails could not be driven into lumber. POL hoses cracked when they were picked up. Steel bolts snapped off under normal wrench tension. Tires broke up while running on the road. On the first morning after the temperature dropped into the extreme cold range, 68 out of 71 trucks at Tanacross could not be started.

The 1961 Alaskan winter and other cold weather operational experience have revealed a number of major deficiencies in low temperature performance of Army equipment.

a. Behavior of propellants for artillery and tank weapons at low temperature is not consistent. Performance of PD fuzes is impaired by cold and standard VT fuzes do not function dependably at low temperatures.

b. Rubber and plastic components, from tires to oil seals, break down at low temperature. Ordnance has initiated definitive action to provide tires which will perform satisfactorily in cold weather. Effective action by other development agencies in the rubber and plastics field is necessary.

c. Piston engines are inherently unsuited for extreme cold weather operations. Development and early adoption of gas turbine or other engines relatively unaffected by ambient temperatures is necessary.

d. Standard cold weather lubricants satisfy operating requirements when used as prescribed, but their use requires care and under field conditions presents administrative and operational difficulties. These difficulties are pronounced when temperatures vary over ranges of a hundred degrees or so in 24 hours.

e. Signal equipment is particularly vulnerable to low temperatures, including temperature within the basic performance range of above minus 25°.

f. The military uniform provides environmental protection in extreme cold when worn as prescribed, but when so worn impairs performance of military activities. Vision is impaired by the parka hood. The uniform is too bulky for many maintenance operations. The lack of a glove which permits accomplishment of normal duties, including operation of weapons and maintenance, at extreme low temperatures, is particularly serious.

RESEARCH AND DEVELOPMENT

Army research, development, and testing agencies are working aggressively to overcome many of the current deficiencies in northern operations capabilities.

A considerable part of the Army's cold weather research, development, and test capability is now located in Alaska. During the summer and fall of 1961, Research and Development engineering test teams were transferred from Fort Churchill, Canada, to Fort Wainwright. The Transportation Board has also established a service test activity at Fort Wainwright. The Arctic Test Board and the chemical test team have conducted service tests for several years at Fort Greely.

On the 1st of August, the various technical service activities were assigned to the Arctic Test Board, making one consolidated test agency under the Test and Evaluation Command of the Army Materiel Command.

In addition to test activities, a number of Army research agencies are conducting field investigations in the vicinity of Fort Wainwright. Army development efforts are supported by other northern operations research activities in Alaska, including the Navy's Arctic Research Laboratory at Barrow, the Arctic Aeromedical Laboratory of the Air Force at Fort Wainwright, and research activities of the University of Alaska and other Federal and State agencies. The interchange of information among these various agencies is beneficial to all concerned.

Research and test agencies directly assist USARAL in many ways. For example, the transportation test activity has evaluated several vehicles in which USARAL is interested. The Cold Regions Research and Engineering Laboratory is investigating permafrost excavation techniques in response to USARAL recommendations. The Waterways Experiment Station has initiated planning for a muskeg engineering experiment to be conducted during 1963 in the Fort Wainwright vicinity in order to provide information required by USARAL for improvement of soft ground movement techniques.

DEVELOPMENT REQUIREMENTS

In addition to establishing requirements for correction of deficiencies in current equipment, USARAL has stated requirements for development of new materiel and operating capabilities. The first problem is mobility.

ARMY AIR MOBILITY

Army air mobility is the second element of organizational mobility in the north. Improvement of Army air capabilities is a continuing project of the highest priority in USARAL.

Absolute altimeters and terrain avoidance radar, deicing equipment, effective preheaters and cabin heaters, and improved lubricants are necessary to overcome the northern operations performance limitations of Army aircraft. For dependable cold weather performance, piston engines must be replaced by gas turbines. This fact was demonstrated during last winter's period of extreme low temperatures when much of the effort of a helicopter company had to be applied for 2½ hours to each H21 in turn to make it flyable at 60° below zero; it is doubtful that the full company could have been put into the air in an entire day. Aircraft, as all other equipment, should be designed for effective cold-weather performance from the beginning of the development cycle and engineer tested in cold weather in the early stages of the testing program.

For operations in undeveloped areas, our aviation units need an organic capability to scrape out hasty landing strips—a bulldozer which units can transport with their own aircraft. Department of the Army has questioned the feasibility of using a small machine for this purpose. To demonstrate that the idea is practical, a small industrial tractor several weeks ago cleared brush from an area 200 by 1,600 feet and graded and packed in a 25- by 1,000-foot landing strip. The entire job took 8 hours. With these results it is hoped to convince the Department of the Army that the concept is sound.

Helicopters alone, however, do not provide a complete solution to the organizational mobility requirement for northern operations. Helicopters are a vital adjunct to northern combat operations, and intelligent exploitation of Army air capabilities often may be the key to tactical success; but the foundation for Army operations is a ground capability.

CROSS-COUNTRY VEHICLES

Two years ago, USARAL acquired approximately fifty M8A2 cargo tractors, which have been useful in winter operations. However, the M8 is not a muskeg or an oversnow vehicle and a different kind of transporter is needed for general northern use.

The Nodwell transporter is the nearest thing we have found to a satisfactory cross-country support vehicle. The Nodwell is a 5½-ton capacity transporter designed originally for oil exploration in the Canadian wilderness. It weighs 11,000 pounds, carries 11,000 pounds, and has a good towing capability. Its snow and swamp mobility equals or exceeds that of the M29 Weasel. The Nodwell design concept appears to offer advantages in strategic mobility. For 5 tons of airlift weight, you get 5 tons of cross-country lift capability at the objective. This is considerably better than the vehicle weight to payload ratio of standard wheeled trucks and much better than that of standard cargo tractors like the M8.

A new vehicle is a military modification of the industrial Nodwell. An amphibious version is now being designed against military specifications and should be available for evaluation this winter. It appears that an amphibious Nodwell might come close to being an ideal military support vehicle for worldwide use.

For bulk movements, larger carriers of this general type are being examined. In Exercise Great Bear, the 12-ton Nodwell transporter was very effective.

We have recommended that the 12-ton transporter be built so that several powered trailers can be assembled into one rig and operated from a single control car. This will produce a tracked overland train which will make major savings of personnel in long-haul support operations. We understand that a contract for construction of the first tracked train prototype may be signed shortly. The Navy is considering employment of four of these units in Antarctica.

Vehicles with a higher order of cross-country mobility will reduce the requirement for road construction in undeveloped areas. However, engineer support is needed for bridge construction and other obstacle-crossing tasks. Engineer equipment supporting cross-country operations must have the same cross-country mobility as the force it supports. As a move in this direction, USARAL has requested and should shortly receive three 5-ton dump trucks built on the Nodwell chassis.

Construction equipment itself needs redesign to low ground pressure configuration. Standard construction tractors regularly become bogged down in warm springs during USARAL winter maneuvers. A D-8 bulldozer sank to the cab during Exercise Great Bear. A family of wide-track construction tractors should be made available for general issue.

Another USARAL approach to a relatively lightweight recovery vehicle is illustrated in this photograph. An M-8 cargo tractor was equipped with the boom assembly from a standard 5-ton wrecker. This rig is powerful enough to handle an M-59 armored personnel carrier.

INLAND WATERWAYS MOBILITY

Northern rivers, like those of other undeveloped areas, can be used effectively for tactical and logistic movement for field operations. USARAL uses Tanana River boats powered with outboard motors. The Transportation Board is now evaluating hydrojet propulsion systems for possible use in northern rivers. The hydrojet system uses a high-pressure water jet instead of a screw propeller and is especially suitable for shallow water operations. We hope to see by next spring a prototype boat for undeveloped area operations which will consist of an aluminum hull built on the Tanana River pattern with a hydrojet powerplant.

In an approach to more effective use of rivers for logistic support, USARAL will experiment next summer with operation of LARC-5's in inland waterways. The amphibious LARC should be able to travel rapidly along the axis of wandering streams, moving with equal ease in water and over sandbars and mud flats.

Improvements in inland waterway capabilities in northern areas are directly related to inland waterway operations in jungle area and other undeveloped regions.

WEAPONS MOBILITY

For ground fire support of mobile forces, we need light artillery which can be transported by helicopter. USARAL is now using pack 75-millimeter howitzers for fire support of air-mobile infantry units. The new lightweight 105-millimeter howitzers will provide a bigger punch in a helicopter-portable weapon.

In summertime, tanks, self-propelled artillery, and armored carriers are able to plough through thawed muskeg as long as they can reach permafrost beneath the mud; but these vehicles bog

down when the muskeg is too deep for them to get a footing on the frozen layer. Development of low ground pressure combat vehicles is a pressing need.

Armed Army aircraft can provide a partial solution to the northern operations requirement for mobile firepower. We need the capability, which armed helicopters and fixed-wing aircraft could afford, for fire support of air-mobile forces and for suppressive fire to cover movement of helicopter-borne forces.

OTHER TYPICAL REQUIREMENTS

Combat operations in northern areas must be able to rely on dependable and responsive logistic support. Fuel supply is a major problem. USARAL utilizes flexible storage tanks and rolling liquid transporters for field supply of POL. To complete this system, a flexible pipeline, suitable for cold weather operations, is needed. The present field pipeline is not satisfactory at temperatures below −10° F.

Shelter is a general problem. We have asked the Corps of Engineers to investigate the possibility of using excavations in permafrost for the storage of fuel and dry stores, for command posts and troop quartering areas, and for other purposes. The Cold Regions Research and Engineering Laboratory has included a project for investigation of this idea in its current year Alaskan research program.

Better tentage is required. Current tents are heavy, hard to erect on frozen ground and in high winds and difficult to heat. We are evaluating a commercial tent with an external frame, the design concept of which appears promising.

Portable, expandable, rigid-wall shelter is needed for field activities which require more or less fixed installation of equipment or which require special environmental protection. This is a simple, fold-out van which was evaluated in Exercise Great Bear. This photograph illustrates the method by which the van is expanded from a traveling width of 8 feet to a working width of 23 feet.

The requirement for better shelter applies particularly to field medical operations. Our hospital goes into the field with ward tents in which we can't get the temperature at bed level above 30° when the outside temperature is 30 below zero. A van-mounted hospital like the one in this drawing may be desirable for northern operations.

There are many other requirements for improvement of field medical facilities and equipment. The Army Medical Service has concentrated much of its effort on basic research and, as a result, much of our equipment is far from satisfactory. The USARAL field hospital operating room, for example, is equipped with a scrub sink made out of 55-gallon drums.

We have a number of individual equipment problems. For example, an insulated canteen is urgently needed. A cold weather canteen has been developed but production was deferred at first for lack of funds and manufacturing difficulties have now delayed the first test production run. It appears that, during the coming winter, soldiers in northern areas will still have no way to carry water with them and keep it wet.

Creation of fully effective northern operations capabilities depends upon satisfaction of the requirements we have discussed and many others of which these are typical.

SUMMARY

Northern winter operations require good, low-temperature performance from equipment and men. The same capabilities are no less important in the winter cold of the North Temperate zone.

Northern summer operations require the capability to move freely over thawed muskeg and marsh. The same capability is necessary for military operations over such classic barriers as the Pripet Marshes.

The environmental conditions characteristic of the north occur in much of the rest of the world. The equipment designs and operating techniques developed to insure effective combat operations in the cold, mud, and swamp of the north represent a significant improvement of Army combat capabilities in all environments.

At the recent American Legion national convention, Gov. William A. Egan of Alaska was critical of the services—stating that the withdrawal of heavy armament and materiel important to the defense of the State of Alaska by the High Chief was endangering the people of his State. Further, that the inadequacy of missiles, etc., was an abandonment of the area as a deterrent force. It is difficult to accept such a statement as a factual observation on the part of anyone less informed, but the spoken words of the Governor should not go unheeded. This administration must assume the responsibility of a strict investigation into this matter and then immediate action should be taken to supplement the present ground, air, and sea power for the protection of the citizens of Alaska—if the Governor's claim is substantiated. We shall await the outcome.

The U.S. Army Arctic Test Board in its operations certainly reflects terrific air, land, and sea power for the defense of Alaska and as a deterrent to an out-and-out assault upon the United States proper.

U.S. ARMY ARCTIC TEST BOARD

1. HISTORY

a. Pages of history are filled with classic examples of major military catastrophies which were the direct result of failure to adequately prepare to fight under extreme climatic conditions. The nation which is not so prepared to fight is inviting disaster. Experiences gained during World War II demonstrated that the U.S. Army was not adequately prepared to fight under even mildly adverse conditions. As a result of the experiences gained during World War II, the War Department organized a group of task forces to test U.S. Army equipment under arctic and near-arctic conditions. Task Force Frigid and Task Force Williwaw tested U.S. Army equipment during 1946 and 1947. While these task forces gained a wealth of information, there were limitations and disadvantages which made such operations both expensive and impractical. Time required to establish units on test sites, lack of a period of acclimatization for both personnel and equipment, lack of continuity and lack of experience in extended or year-round testing were a few of the major disadvantages in the utilization of task forces.

b. As a result of experience gained during Task Force Frigid, it was recommended that a permanent test organization be established, with test groups representing each of the permanent boards located in the Zone of the Interior. The test site recommended was located approximately 5 miles south of Eielson Air Force Base, approximately 26 miles southeast of Fairbanks. The location recommended was excellent, since the climatic conditions and an excellent railhead required were available; however, no facilities existed for immediate occupancy.

c. In 1949 the Department of the Army ordered the organization of the Arctic Test Branch at Big Delta Air Force Base (now known as Fort Greely), Alaska, 76 miles southeast of the location recommended by Task Force Frigid. A cadre for the organization was activated at Fort Knox, Kentucky, in March of 1949 by the transfer of personnel from each of the Army Field Forces Boards located in the Zone of the Interior. The organization was moved to the Big Delta Air Force Base in July of 1949 and test operations were initiated shortly thereafter. In January of 1957, the Arctic Test Branch was designated the U.S. Army Arctic Test Board.

2. LOCATION

Fort Greely, Alaska, home of the U.S. Army Arctic Test Board is located at the junction of the Alcan and Richardson Highways, approximately 104 miles southeast of Fairbanks and 335 miles north of Anchorage, Alaska. In addition to being the home of the U.S. Army Arctic Test Board, other organizations located at Fort Greely include the U.S. Army Garrison, Fort Greely, the Cold Weather and Mountain School, and the U.S. Army Chemical Corps Test Team. Fort Greely is approximately 6 miles south of Delta Junction. Though hard pressed to keep place with Fort Greely's rapid growth, the Delta Junction Community today boasts a branch of the Alaska National Bank, two variety stores, a law office, automobile and electrical repair shops and other modern shopping conveniences. Housing, however, is at a premium. Most of the housing located in Delta Junction is substandard, with but a few modern homes. There are limited hotel accommodations and restaurants available for travelers.

3. MISSION

The mission of the U.S. Army Arctic Test Board is to "conduct service tests and recommend type classification of new equipment; furnish guidance to developing agencies during development; participate in troop tests; observe and review performance of standard items; prepare and review military characteristics when required; and assist schools in preparation of training literature and selection of training aids."

4. FIELDS OF RESPONSIBILITY

The field of responsibility embraces all types of field army equipment for the purpose of conducting required Arctic and subarctic tests, studies, and investigations. The U.S. Army Arctic Test Board functions as the Arctic Test Agency for U.S. Continental Army Command. In considering the mission of the U.S. Army Arctic Test Board, there may be a tendency on the part of a great many people to talk and think of the Arctic in terms of remote regions of the far north and the polar ice packs. The U.S. Army Arctic Test Board stresses the concept of testing under severe climatic conditions found in all northland regions, including the northern part of the United States, rather than emphasizing test operations only under climatic extremes encountered in the polar regions. Cold weather testing starts at freezeup approximately mid-October and continues throughout the winter months and into breakup, approximately mid-April. Varying temperatures ranging from 0 to 50° to 60° below zero, are useful in gathering test data on the lower thermal operating limits of equipment; equally important, however, are durability and reliability data developed from daily testing over the extended winter months with varying amounts of snow cover and summer tests over muskeg and other arctic terrain.

5. ORGANIZATION AND FUNCTION

(a) The U.S. Army Test Board is a class I agency of Headquarters, U.S. Continental Army Command. In order to carry out the assigned mission, the Board is organized in two functional staffs, corresponding to its testing and administrative functions.

(b) Under the Board President, the Deputy for Test coordinates all test activities of the Board. To assist the Deputy for Test he has an Operations Division, which includes the Operations Officer, Project Review Officer, and Photographic Officer, and four Test Divisions.

First. The Operations Division operates a Reproduction Branch and a Photographic Branch. The Operations Division reviews and routes all research and development information which is sent to the Board, supervises preparation of plans of test and reports of test which are generated within the Board, and coordinates the activities of the test divisions. The Reproduction Branch provides test personnel with all required stenographic and reproduction support. The Photographic Branch provides ground and aerial photographic support in black and white and color, both in still and motion pictures. The Photographic Branch processes and prints black and white and color still photographs, produces transparencies and slides, does studio photography and copy work, edits and titles motion picture film and provides audio-visual projection service. Graphic Arts Section provides drafting, chartmaking, artwork and other graphic arts support to include Ozalid reproduction. The annual workload consists of producing approximately 13,000 black and white and 500 color negatives; 86,000 black and white and 100 colorprints; 650 slides; exposing 18,000 feet of motion picture film; preparing 1,800 drawings, charts or sketches; 2,000 Ozalid reproductions; and the operation and maintenance of 165 pieces of photographic equipment.

Second. The function of the four Test Divisions within the Board parallel in general the function of the six U.S.-CONARC Test Boards located in the lower 48 States. Test Division 1 is primarily interested in artillery and ground-to-ground communications equipment. Test Division 2 is primarily interested in armor equipment to include combat vehicles, general-purpose vehicles, special-purpose vehicles, and heavy engineer equipment. Test Division 3 is primarily concerned with infantry and airborne equipment; in addition this division also tests medical, chemical, and quartermaster items. Test Division 4 conducts tests on aircraft, both fixed- and rotary-wing, aircraft communications equipment, and other related aviation items.

(c) The Deputy for Administration is responsible to the President for the supervision and functions of the Supply Division, Maintenance and Transportation Division, Headquarters and Headquarters Company, and the Personnel Branch. He supervises the Board construction program and coordinates administrative matters with Fort Greely and other U.S. Army, Alaska, agencies.

(d) The U.S. Army Arctic Test Board has an authorized strength of 31 officers, 4 warrant officers, 323 enlisted men, and 10 civilians to accomplish the assigned mission.

6. ROAD AND RAIL FACILITIES

The Arctic and subarctic in most areas of the world are characterized by an almost complete lack of road network and rail facilities. Alaska is no exception. The principal road network in Alaska is limited to the Richardson Highway between Fairbanks, Glennallen and Valdez; the Glennallen Highway between Glennallen and Anchorage, and the Alcan Highway between Delta Junction and Canada and the smaller 48 States. Other highways of some military importance are the Steese Highway between Fairbanks and Circle and the road from Tok Junction to Glennallen. Rail lines within Alaska are limited to the line connecting Seward, Whittier, Anchorage, Fairbanks, and Eielson AFB. Supplies and equipment for the U.S. Arctic Test Board shipped by water transportation arrive at Seward, Valdez, or Anchorage. From these terminals the supplies and equipment are transported by truck to Fort Greely or shipped by rail to Fairbanks or Eielson AFB, hence transported by truck to this Board. The nearest rail terminal for this Board is located at Eielson AFB, a distance of 76 miles. Air terminals include the military and civilian installations in the Fairbanks and Anchorage areas. Big Delta Airport, located at Fort Greely, is operated by the Federal Aviation Agency and is capable of handling heavy cargo aircraft such as the C-124.

7. TERRAIN AND CLIMATIC CONDITIONS

(a) Fort Greely is located 175 miles south of the Arctic Circle. The terrain is ideally suited for testing due to the variety found in the local area. Duplicated in the area, are representative types of typical Arctic and subarctic geographic features. In the Fort Greely area rolling terrain, tundra, marshy bogs, dense subarctic forests, treeless barrens, mountains, glaciers, rivers, lakes, potholes and swamp areas may be found. Snow cover varies from practically none in the windswept barrens to 8 or 10 feet in heavily forested areas. Winds with velocities up to 80 miles an hour occur.

Basic: Thermal stress-acceptable performance within a range of air temperature from −25° F. without benefit of solar radiation to 115° F. with the impact of solar radiation.

Extreme cold weather: The basic equipment may be modified to meet these conditions or special equipment or kits may be developed.

Thermal stress: The air temperature range for functioning of equipment is extended to −65° F. without benefit of solar radiation.

(b) Climatic conditions in the Fort Greely area vary. Seasonal light and heavy rain or snow storms are common. Temperatures below −40° F. occur several times and minimum lows of below −50° F. are usually encountered each winter with an occasional period below −60° F. Summer temperatures range from as high as 80° to 90° F. for brief periods during June, July, and part of August.

(c) Plans of test, prepared by the U.S. Army Arctic Test Board, generally specify the seasonal climates under which the test is to be conducted. The requirements vary greatly, but one element which all have in common is temperature. In practice it is the temperature which determines so-called testing weather. For that reason, a study of temperature gives a good clue as to the availability of testing weather at Fort Greely. It is dangerous to generalize about weather conditions, particularly where temperature is concerned, because of the extraordinary variability. The only certain thing is that each year will be different from the preceding year.

(d) Contrary to popular belief the cold center or "cold pole" of the arctic does not lie in the Arctic Sea near the North Pole. In fact there are two cold centers, both are some distance inland and both strangely enough lying below the Arctic Circle. One center is located in Siberia. This area reports its coldest day as −90° F. The cold center on the North American side is located within the triangle of Fairbanks, Alaska; Good Hope, Yukon Territory; and Snag, Yukon Territory. The Arctic Test Board is located within this triangle. Low temperatures in this area go to about −50° F. normally with an extreme of −70° F. having been reported at Good Hope and a low of −80° F. at Snag.

(e) Normally the temperature will drop below zero for the first time during the month of October, and will occasionally reach -40° F. during November; however, such conditions are short lived, lasting only a few hours. By December the sun's influence becomes negligible, and

-30° to -60° F. temperatures can be expected of 2 to 5 days duration one or more times during the month. January and February have the coldest mean average temperature, January having a lower mean temperature, but February usually bringing more days with intense cold. The month of March is characterized by temperature extremes with short periods of -40° F. temperatures and below alternating with similar periods near +32° F. This is a result of increased solar radiation which produces warm days followed by extremely cold nights. Thereafter, except for occasional short periods of subzero temperatures, the temperature climbs above zero to stay. Thus extreme temperatures of -30° to -50° F. can be expected less than 10 percent of the time during a period of 4½ months. Unfortunately during the coldest part of the test season, daylight is at a premium. On the shortest day of the year the sun appears above the mountains shortly after 1100 hours, executes a flat arc across the sky, and disappears again by 1300 hours. Twilight precedes and follows the sun for approximately an hour and a half. As the days lengthen during the latter part of January and February, the sun's heat makes itself felt, raising the temperature by as much as 30 degrees during the morning hours and limiting the utility of cold periods for tests that depend on low temperatures. By March 21, the sun is again above the horizon 12 hours per day and a heat accumulation has begun.

(f) Cold spells, which usually last from 36 to 48 hours but may extend for as much as 2 weeks are normally brought to an end by high wind. Since the location of the testing areas is near a high mountain range, in a long narrow valley at the mouth of a pass, and in a region of strong pressure differences, and natural air circulation, Fort Greely records the windiest climate in the interior of Alaska. Cloudiness is another element which prevents the formation of low temperatures. Clouds act as a blanket, keeping the earth's heat from escaping and trapping incoming radiation. The thinnest cloud layer can hold the temperature 10 degrees above what it would have been under clear conditions. During the winter months an intense temperature inversion exists such that temperatures aloft between 1,000 feet and 20,000 feet are frequently warmer than surface temperatures.

(g) An interesting but aggravating weather phenomenon associated directly with low temperature is ice fog. When temperature reach -30° F. in inhabited areas, ice fog formation is a certainty. Ice fog consists of microscopic ice crystals which form on smoke particles and is mostly the result of combustion of gasoline and oil. It is observed locally only about 5 percent of the time, but it represents a severe handicap since it occurs during the best testing weather, often restricting visibility to less than one-sixth of a mile. During extreme cold it collects in engine air intakes and results in engine suffocation.

8. REAL ESTATE

(a) The U.S. Army Arctic Test Board has a direct or indirect interest in approximately 680,000 acres or 1,062 square miles of real estate. This real estate is divided into a firing area and a nonfiring area.

(b) Firing area: The area presently utilized by this Board as a firing area consists of approximately 575,000 acres. This area includes an impact area, which at the present time is sufficient to meet the Board's requirements for testing of current projects. In addition to the impact area, the firing area contains an artillery range, tank range, mortar range, known distance and combat range, pistol range, and special purpose ranges. Since some projects assigned to this Board are highly classified, the firing area also includes the necessary maximum security areas. Firing points and ranges are so located that weapons of all types can be fired from separate firing points into separate impact areas simultaneously.

(c) Nonfiring area: This Board presently utilizes an area of approximately 52,000 acres as a nonfiring test area. This area contains a drop zone of approximately 500 cleared acres, which is utilized to conduct airborne tests to include jumping of personnel, aerial delivery and recovery of weapons, vehicles, and other equipment. Free drops of certain supplies from various aircraft are also conducted. In addition to the drop zone, the nonfiring area contains a vehicle terrain capability course, which consists of approximately 20 miles of secondary roads, waterways facilities, to include lakes with a minimum water depth of 20 feet, rivers, muskeg areas, hilly, flat, wooded, and cleared terrain. The area is also utilized for testing of aircraft, both fixed- and rotary-wing, and to test aircraft flotation devices on water, snow, and muskeg. Additional items of equipment, such as sleeping bags, cold weather uniforms, tents, skis, snowshoes, and items utilized by the individual soldier are also tested in the nonfiring area.

(d) Support facilities: In addition to the firing and nonfiring areas, the Board has support facilities on the post proper. These facilities include the Board headquarters, photographic and illustration branch, maintenance facilities, to include wheeled and tracked vehicle shops. Maintenance up to and including 4th echelon on various types of test and standard vehicles is performed in support of the Board mission. Also on the post proper are the necessary supply installations, aircraft hangars, and maintenance facilities.

(e) Permanent buildings: The Board occupies nine permanent buildings on the main post, totaling 123,586 square feet. The current value of these facilities is approximately $5 million.

(f) Temporary buildings: The Board occupies 18 temporary buildings in the cantonment area, totaling 60,686 square feet. These structures are used in conjunction with activities of Divisions 3 and 4. A major portion of this space is devoted to the hangar at the Big Delta Airport, a portion of which is shared with post activities. The hangar is a wooden structure built in 1943 to support ferrying lend-lease aircraft to the U.S.S.R.

(g) Ranges: Facilities have been developed and built by the Board to serve a variety of purposes, due to differences encountered in the annual testing program. Primary usage and facilities at each location is shown below:

First. Sawmill range is operated by Division 3 and is utilized for testing grenades, mines, short-range direct-fire weapons, and miscellaneous items. It contains a maximum security area totaling 3.9 acres. The cleared area for test operation contains 17 acres. Installed facilities include:

(a) A fenced security area.

(b) Two semipermanent buildings totaling 1,380 square feet.

(c) An all-weather two-way access road 1.3 miles in length.

(d) A powerline from the central post generating plant.

(e) A single-lane graveled road 0.8 mile in length, connecting the 600-yard storage area at the known distance range to the sawmill complex.

(f) Two house trailers used for data collection, security guard, and warmup purposes.

(g) Sandbag bunkers for protection of personnel.

Second. Known distance range is operated by Test Division 3 and contains 10 firing points at appropriate 100-yard and 100-meter distances. Installed facilities include:

(a) A reinforced concrete storage and warmup building totaling 800 square feet, located in rear of the target butts.

(b) A temporary structure built over the conventional pit facilities to prevent snow from drifting into the pit.

(c) Underground communication network from all firing points to the pits with provision for a post communication tie-in.

(d) Post electricity to the pit complex.

(e) A wooden frame range office building totaling 760 square feet.

(f) Two Jamesway storage buildings totaling 2,304 square feet located at the 600-yard line storage area—1.9 acres in extent.

(g) One quonset hut totaling 970 square feet utilized for warmup and messing purposes.

(h) Total clearing in the area amounts to 15.2 acres.

Third. Davy Crockett range is operated by Test Division 3 and was constructed for testing of the named weapon. Adjacent to this range, but included within the Davy Crockett acreage, is an area suitable for combat firing of small arms weapons and miscellaneous usages. Installed facilities include:

(a) An elevated firing ramp at the firing point, suitable for track or wheeled vehicles.

(b) A blast wall for protection of personnel.

(c) A trailer house for data collection and warmup purposes.

(d) Central post power to the warmup facility, with floodlight adaptability.

(e) One Jamesway hut housing a power generator totaling 256 square feet.

(f) Total cleared acreage is 103 acres.

Fourth. Recoilless range is operated by Test Division 3 and is used to test all types of longer range direct-fire weapons

except tanks. Included in this are infantry rocket launchers, recoilless rifles, and antitank guided missiles. Central post power is available. Firing platforms and target berms are located to permit firing at all ranges between 100 and 2,000 meters. A wanigan is available for data collection and warmup.

Fifth. Beales range is operated by Test Division 1 and was constructed for the testing of both self-propelled and towed artillery weapons. Installed facilities include:

(a) Eight prefab, semipermanent, metal buildings totaling 7,680 square feet, for offices, signal maintenance, and storage.

(b) Two prefab (Cass) buildings for classroom and maintenance, totaling 1,628 square feet.

(c) Two Jamesway buildings for maintenance of artillery weapons, totaling 2,510 square feet.

(d) One wooden frame building for wire maintenance and storage, totaling 825 square feet.

(e) Two wooden frame generator buildings, totaling 1,225 square feet.

(f) Two house trailers for guard personnel, totaling 500 square feet.

(g) Two wooden frame latrines, totaling 300 square feet.

(h) One concrete block wellhouse (25 square feet).

(i) One wooden frame meteorological balloon inflation building with 450 square feet.

(j) Ten sandbagged bunkers for ammunition storage and personnel protection, totaling 661 square feet.

(k) Miscellaneous cabins and trailers to provide warmup areas at ten (10) separate observation posts, totaling approximately 929 square feet. One observation tower 22 feet high containing a shelter on top, totaling 100 square feet.

(l) Post power line to Beales Range complex with power line extension to the firing line.

(m) The building complex at Beales Range contains 7.15 acres.

(n) The cleared acreage of the Beales Range firing line totals 185 acres.

(o) A 2.7 mile all-weather road network of gravel fill.

Sixth. Bolio Lake Test Site is a centralized facility devoted primarily to nonfiring test activities. Items tested include individual clothing and equipment, rations, tentage, and cold-soaking of vehicles and aircraft. Installed facilities include:

(a) Four semipermanent metal buildings, totaling 3,840 square feet.

(b) One concrete block wellhouse, 25 square feet.

(c) Several temporary structures to provide storage space, power generation and latrine facilities, totaling 1,344 square feet.

(d) An all-weather two-way gravel road 1.7 miles long.

(e) A building complex of 4.6 acres.

(f) Driving trails for cross-country vehicle testing.

(g) A ski slope used to support testing activities.

Seventh. Center OP is used primarily for mortar firing; however, short-range antiaircraft weapons (Redeye), portable flamethrowers, and nonfiring items are also tested here. Included are two surveyed observation posts for use in observation of mortar and artillery firing. This facility includes a mortar firing point. The area is divided into two parts which are used primarily by Test Divisions 1 and 3. The Test Division 3 portion contains 13.9 acres; the Test Division 1 portion contains approximately 6 acres. Installed facilities are in Test Division 3 area and include:

(a) A large underground bunker.

(b) A semipermanent metal building, totaling 960 square feet.

(c) Two large Jamesway type shelters, totaling 1,760 square feet.

(d) Two houses trailers, totaling 500 square feet.

(e) Wooden frame buildings for power generation and latrines.

(f) An access road from Meadows Road to the mortar firing point, 1.4 miles in length.

Eighth. Tank Range is operated by Test Division 2 and is used primarily for test firing of tanks and as a center for cross-country vehicle testing and vehicle cold-soaking. Installed facilities include:

(a) Three semipermanent metal buildings, totaling 3,020 square feet.

(b) A concrete block and frame observation tower, totaling 480 square feet.

(c) A 10,000-gallon steel and concrete fuel storage tank.

(d) A fenced concrete ammunition security enclosure, totaling 3,600 square feet.

(e) Six concrete firing pads for tracked vehicles.

(f) Under-surface electrical circuit to illuminate seven target areas varying in distance from 500 yards to 2,000 meters.

(g) One wooden frame latrine, totaling 112 square feet.

(h) Total cleared acreage of 101 acres.

Ninth. Drop Zone is operated by Test Division 3 in support of airborne test activities. The Drop Zone is located approximately one mile east of the Big Delta Airport. The Drop Zone contains 516 acres of cleared land which is being expanded to provide 50 percent additional area.

(h) Air Space: This Board has exclusive and continuous use of air space over the impact area (R-2202) from 0 to 60,000 feet. In order to adequately test weapons, missile systems and ammunition, the test must be conducted during the lowest temperatures and worst climatic conditions. It is necessary to fire through fog, clouds, snowfall, and rain. Testing is conducted 24 hours a day when the necessary temperatures and weather conditions prevail. The land area and air space presently utilized by this Board are sufficient to support the current test season. However, an analysis of the Research and Development Program indicates that as longer range weapons and missiles become available for testing, range facilities, impact areas, and air space will have to be increased to a great extent.

9. STATUS OF TESTING PROGRAM

(a) This Board has completed and forwarded Reports of Tests on over 800 projects since 1949. Reports of Test are dispatched to the Commanding General, United States Continental Army Command, in the number specified in the test directive.

(b) The length of time required to complete arctic tests varies widely. Forecast of dates of completion of tests is under continuous study in order to prevent rescheduling. Generally, tests, progress, and completion dates are dependent on timely arrival of equipment, testing weather, reliability of material while under testing and timely arrival of technical representatives at the Board to effect modifications, or familiarize personnel on complex items of equipment.

10. WEATHER SERVICE FACILITIES

(a) When the U.S. Army Arctic Test Board was organized, the importance of weather to its operation was immediately recognized. The requirement for weather assistance was placed upon the U.S. Air Force and a Weather Detachment consisting of one officer and six airmen was attached to this Board. In September of 1960, the U.S. Signal Corps took over the responsibility of providing weather service and a Signal Weather Detachment was attached to Headquarters, Fort Greely. The mission of the Weather Detachment is to furnish short and long term weather forecasts for the U.S. Army Arctic Test Board, Headquarters, Fort Greely, the Cold Weather and Mountain School, and other Army units deployed in the area. The Weather Detachment also furnishes ballistic data as required for firing artillery and missiles. In addition to the meteorological instruments located at each firing range and other test sites, the Weather Detachment's forecasting section is located in the aircraft hangar at the airfield. Radiosonde stations are located on the main road between the airstrip and the New Post and the artillery firing pad at Division 1.

THE PROBLEM OF THE INDIVIDUAL LOAD IN THE ARCTIC

Equipment carried: one rucksack, with suspenders; one rucksack, overwhite; one cap, field, cotton; one mittens, insert, wool; one gloves, anticontact; one bag, sleeping, arctic with cover; one pad, inflating; one sunglasses; one canteen and cup with cover; one mess kit; one tool, entrenching; one ration C; one mountain brush; one chapstick; one case, match, waterproof; one pouch, first aid, with packet; one cap, field pile; one kit, toilet articles; two socks, cushion sole; three handkerchiefs; one bayonet, with scabbard; one foot powder; one belt, cartridge; one compass; one rifle, M1; one gas mask; two bandoleers, .30-caliber ammo; one thong, rawhide; one fire starter; one flashlight; one sunburn cream; one spoon; one knife, pocket; one bag, waterproof; one poncho; one muffler.

Equipment worn: one underwear, winter; one suspenders; one shirt, wool, OG; one jacket, field, with liner and hood, with fur ruff; one parka, with liner; one trousers, field with liner; one helmet, steel with liner; one socks, wool, cushion sole; one mittens, arctic, with insert, wool; one tags, identification with necklace; one parka, overwhite; one

trousers, overwhite; one mittens, overwhite; one boots, rubber insulated, white; one snowshoes; one underwear, summer.

Total of 97 pieces of equipment: worn, 49 pounds 15.5 ounces; carried, 73 pounds, 5.5 ounces.

Total weight of man and equipment: 307 pounds, 5 ounces.

THE TRAGIC GULF BETWEEN THE UNITED STATES AND THE DOMINICAN REPUBLIC

Mr. ALGER. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CRAMER. Mr. Speaker, today, I see that Great Britain has recognized the triumvirate Government of the Dominican Republic, following the lead of Spain, Portugal, Nationalist China, and Honduras.

Still the United States refuses even to communicate, officially or unofficially, with the triumvirate and continues to pay heed, apparently, to the discredited administration of Juan Bosch who has been proved incapable as a president, too soft on the Communist menace, and unwilling to carry out reforms promised the people.

After the overthrow of Trujillo, the dictator, the United States quickly recognized the consejo made up of many of the foremost leaders of the Dominican Republic. These dedicated men set up the constitutional elections and the needed reforms which Juan Bosch refused to carry out.

The United States refuses now to recognize the fact that many of the same dedicated people are officials in and supporters of the triumvirate that has been set up by the junta to help the Dominican Republic. As a matter of fact, the United States has gotten itself into the stupid and untenable position of not being even willing to talk to any representatives, officially or unofficially, of this triumvirate.

I repeat, many of the leaders are those who were involved in the overthrow of Trujillo, or in the consejo which followed Trujillo's dictatorship, or were prominent in Bosch's government but became disenchanted with his incapabilities, lack of leadership, and his refusal to clamp down on the Communists.

For instance, Manuel Tavares, a member of the present triumvirate, was Finance Minister under Bosch. Roman Tapia was in Bosch's cabinet and remains on the triumvirate. Emilio de los Santos, president of the electoral system of the consejos, has joined the triumvirate as President. Vinas Roman was Secretary of the Armed Forces under Bosch and remains in that position. Delisario Peguerio was chief of police under Bosch and remains in that position. Donald Reid was in the consejo and is now Foreign Minister. Ambassador Bonilla, prominent in Bosch's government, is presently Ambassador to the OAS, was in the consejo, and is one of the principal architects of the Dominican Republic's constitutional government.

The American people are entitled to know the true facts about the Dominican Republic and the clumsy, incompetent manner in which our State Department has handled the problem since the coup that overthrew Bosch.

I am for constitutional government and against dictatorships. It appears that those who are engaged in the triumvirate are determined to return to constitutional government as soon as possible, have avoided continuing a police state setup by turning over government to civilians that have the confidence of the people, and are as dedicated as was the Consejo to the goals of maximum freedom.

Of particular note, they have proclaimed their hatred for and willingness to oppose atheistic communism.

The United States has created an impossible and highly explosive situation that could be ignited any time by continuing to favor Bosch and his followers and by not even talking to the representatives of the triumvirate. This is most ironic and tragic when it is realized that most of the leaders of this triumvirate are the same dedicated Dominicans that upset Trujillo and joined in the consejo in an effort to win stability with constitutional freedoms and economic security; that they are largely the same people the United States so glowingly complimented for their work in the consejo; that they are apparently desirous of making assurances of a return to full freedoms for their people as soon as practical—but that they cannot even get to talk to any representative of the U.S. Government.

It raises a serious question about the soundness of the decision being made by the State Department. It gives further credence to the oft repeated charge that the ultra left leaders in Latin America are really running our foreign policy as it relates to the Caribbean and are the ones insisting on a return of Bosch, a fellow liberal leftist, to power.

It is time we made our own decisions and opened up avenues of at least communication with the people who we know are dedicated to freedom for the Dominicans because they fought for those freedoms against Trujillo. We recognized them as members of the consejo, we dealt with many of them as officials in the Bosch administration, we praised them for their efforts in behalf of the Dominican Republic. Now we will not even speak to them.

The following articles and documents substantiate the fact that we are courting internal strife in the Dominican Republic with our present policies. It is time for a careful look at what is really going on in that country. If, as all evidence indicates, assurances will be given that the triumvirate is determined to return to constitutional government at the earliest possible date then the United States should at least open up the avenues of communication.

After all, if the New Frontier while claiming to oppose communism can welcome Tito to the White House, knowing that he is a Communist dictator, the State Department should be able without losing face to figure out some way to open up communications with the triumvirate that is strong anti-Communist in the Dominican Republic.

[From the New York Herald Tribune, Oct. 23, 1963]

TRAGIC GULF BETWEEN UNITED STATES AND THE DOMINICAN JUNTA

(By William Haddad)

SANTO DOMINGO.—Both the United States and the Dominican Republic are headed for disaster in the Caribbean because of what diplomats usually label "a lack of communication."

From long and detailed discussions with both the civilian leaders and their military backers here, it appears the Dominicans are prepared to initiate the conditions needed to bring about recognition and resumption of assistance.

But between their desire and U.S. need lies a tough negotiating session and—right now—there are no channels for negotiation. The situation is further complicated by a growing suspicion and a hardening of attitudes.

The United States wants a rapid return to the constitutional government which ended last month when President Juan Bosch was deposed by a combination of civilian and military leaders after only 7 months in office. Sharp congressional reaction to the coup d'etat has only stiffened this position.

The civilian junta has promised a "return to constitutionality" but set a timetable not acceptable to the United States.

But, in a 2-hour meeting with the three-man junta, the Herald Tribune was told:

"One of the greatest virtues in a man or a state is the ability to recognize a mistake and the ability to change. We are not inflexible. As far as we are concerned, we wish elections and constitutionality to come through tomorrow so we can go home. We want some realistic workable formula so that this can come about in a practical and not a theoretical way."

When pressed for a time schedule, the junta came close to what is known to be an acceptable formula to the United States.

On another key issue—broadening the government to include members from the deposed political parties—there was some disagreement within the junta. This reporter waited while the three men, who work closely and easily together, candidly discussed the pros and cons of their answer to the Herald Tribune. In the end, Dr. Manuel Tavares, a Yale-educated industrialist, spoke for the junta:

"It is possible that we would allow the good elements of these parties to participate in the government while preparing for the elections."

This, too, is a vital factor involved in U.S. recognition.

How then, when the two positions seem so close together in private, can they be so radically apart in public?

A clear example of the problem comes in an analysis of a meeting last week between American Chargé d' Affaires Spencer King and Dr. Tavares. Since the United States has removed its Ambassador, Mr. King is the senior American official.

The meeting was arranged when a friend of Dr. Tavares' brother learned from some one in the Embassy that Mr. King wanted to see him, a necessary subterfuge since, officially, the United States and the Dominicans aren't talking.

At the meeting, Mr. King said he understood that a certain American (whose name is being withheld by the Herald Tribune) had been assuring the junta that the United States would recognize their government and this may have led the junta into a false view

of the U.S. position. This American, Mr. King said, doesn't represent the United States.

To make sure that the junta understood the U.S. position, Mr. King said, he was seeking the junta's attitude toward a proposal that a return to constitutional government could be achieved by the junta stepping down in favor of Dr. Juan Casasnovas Garrido, president of the senate.

This, he indicated, would result in recognition and assistance.

Under the Dominican Constitution, when the President and Vice President are absent from the country, the president of the senate takes over.

"If the United States had proposed the return of Bosch," Dr. Tavares said, "I'd have been less surprised. The Casasnovas proposal was the product of people who don't understand why the coup d'etat took place and what is happening here now. To advance such a totally unacceptable proposal in this formal way certainly won't help speed a return to constitutional government."

One of the principal motivating forces for the military's participation in the coup was their fear—right or wrong—that Communists were getting into positions of power. Some of those Communists were believed by the military to be working with Mr. Casasnovas.

Dr. Tavares took Mr. King's proposal to the other two members of the junta, and the three of them decided to wait until "our foreign relations man," Donald Reid, returned 5 hours later from the United States. All three got into an automobile later that evening and went to the airport to see Mr. Reid.

When they returned to the city, Dr. Tavares received a call from a newspaper publisher about an Associated Press story on the U.S. demands. This infuriated the junta who, though angry, had decided to consider the proposal and return a quiet diplomatic answer. With the publication of the story, they were forced into a public position of denouncing American intervention in the internal affairs of the Dominican Republic.

By now it was after midnight, and the junta returned to the palace, only to find no staff present. Sitting at typewriters, they drafted the reply to the United States and called in Mr. King to read it to him.

Disaster was narrowly averted when the junta withdrew a demand for the removal of the Embassy's political officer, an act which would all but end any chance of U.S. recognition. It also would end U.S. influence to return the Dominicans to a democratic government.

There it was, a mysterious American who does not work for the State Department, but with enough credentials to have the junta believe that the Embassy's position was a political facade, a proposal which was the worst possible suggestion in the eyes of the junta, a newspaper leak—all adding up to near disaster.

The junta, in its conversations with the Herald Tribune, emphasized that they and not the military, were running the country. The United States is convinced that, on major decisions, the military has the final say.

"I'm no one's stooge," Dr. Tavares said. "Our friends pushed us into this role. We didn't want it. When the military took over, they called in the six opposition parties and told them to pick a government.

"The parties told the military they wanted us, and we were given the power. The political parties submitted names for the Cabinet posts, but we selected those we wanted. Before we went out and got our Foreign Minister we rejected six suggestions of the parties."

Dr. Tavares said Mr. Bosch, himself, was the main cause of the coup d'etat.

"No one liked constitutional government to end, but that's a fait accompli. Bosch can now go back to writing his books, they should all be bestsellers. But he was not equipped to run the government. Nothing moved, he kept everything to himself. I have just reviewed a $150 million loan agreement (that's our annual budget) and it is the most preposterous contract I ever saw.

"Bosch was too tolerant of the Communists. He allowed them into influential positions, and he wouldn't close down their training schools. He, one by one, alienated the businessmen, the farmers, the church, and the military. In 3 more months, the country would be beyond salvation.

"To run this country, you either have us or the military. There is also pressure from the left. They may try to take power. The military will never allow this, and you'll have civil war.

"This is the first time that a military takeover was turned back so quickly to civilian control. Within 36 house they left power. This is an experiment. It is better than the alternatives. We want your help, but if we don't get it, we'll go it alone."

The Herald Tribune put the same series of questions to the generals who led the coup d'etat. All denied they are running the government, but made it very clear that if the experiment didn't work, and the junta resigned, they would assume power.

"We will back up the civilian leadership in all their decisions, the chief of staff, Gen. Victor Elby Vinas Roman, said. "If they want elections within a few months, we will support them. If they want to broaden the government, that is their decision. We are out of politics."

And if the junta resigns?

"We will have no alternative but to take over the government ouselves. We don't want to do this."

Those participating in the coup d'etat said that Gen. Vinas Roman was the last general to come along, urging, until it was no longer possible to urge, other solutions.

Even more outspoken was Air Force Gen. Miguel Atila Luna, who looks like the movie version of a general. His force is generally regarded as the most important in the country.

"Why should these men be stooges?" he asked. "They don't need it."

Asked about the Communist threat, he answered:

"I'm not one of those who said Bosch was a Communist. I just felt he didn't understand the dangers of allowing the Communists to get control of key positions.

"For instance, in one position there was a man who could bring arms into the country. There were the Communist schools. And he was organizing a militia.

"Cuba is too vivid for us here. We don't want a Venezuela where the Communists engage in indiscriminate bombing. We must stop it in time. We had only a few months; of that I am convinced."

When you took over, how many Communists were arrested?

"About 500. But when we turned the government over to the junta, they let them out of jail. Now you tell me who's running this country. We pick them up, and the junta lets them go."

The civilian leadership of the coup is convinced the military is not interested in running the government, but will if necessary. They also feel that the Dominican Republic is paying the price of past U.S. mistakes, that the inflexible attitudes are dictated by considerations outside their country.

To date, U.S. policy, instead of dividing the civilian and military leadership, has united them. They were never closer than in the aftermath of the Casanovas suggestion, which, some Americans feel, was twisted to serve nationalistic ends.

The pressures which were supposed to come from the businessmen to the junta, as a result of the cutoff have not materialized. Even those few who stuck with President Bosch to the last told the Herald Tribune that they were prepared to go it alone.

Informed observers believe that elections will bring about a civilian government which can rule provided it understands the fears of the military.

"It is not necessary to believe what the military believe," the Herald Tribune was told, "but to understand their fears. It will be many years before any President is popular enough to build up a counterforce to the military."

Any new President will also have to be an outspoken anti-Communist and severely restrict Communist activity. In the aftermath of the coup d'etat, the current wave of rampant suspicion may subside.

Even U.S. sources are convinced that President Bosch has lost the confidence and support of the people who put him into office, but they were surprised when reporters told them that the Peace Corps volunteers had witnessed celebrations in the countryside as a result of the coup d'etat.

In the next 10 days the junta will be looking for solutions which will allow the United States to fulfill its commitments to democratic governments and demonstrate its distaste for military takeovers, and at the same time meet the realities of their situation. The junta has already received offers of help from the Common Market and expect others to come from elsewhere in Europe.

While the going will be admittedly more difficult, they will undoubtedly go it alone until the elections which are inevitable.

[From the Washington (D.C.) Post, Oct. 31, 1963]

BRITAIN BREAKS WITH UNITED STATES IN RECOGNIZING JUNTA

SANTO DOMINGO, DOMINICAN REPUBLIC, October 30.—Britain today extended diplomatic recognition to the new Dominican Republic civil junta. It was the fifth free world nation to do so.

The action came after widespread reports the United States had sought vainly to get the British to endorse Washington's boycott of the junta. The three-man regime came into being after the armed forces deposed and ousted President Juan Bosch in a bloodless coup last September 25.

Western world nations previously recognizing the legality of the junta include Spain, Portugal, Nationalist China, and Honduras. The British recognition is expected to spark similar actions by European nations.

The development came as leaders of Bosch's Dominican Revolutionary Party (PRD) indicated for the first time their willingness to accept his overthrow and collaborate with the junta.

A group of party leaders, including a former Bosch cabinet member, Education Secretary Buenaventura Sanchez Felix, said they had decided to "smooth over differences (with the junta) and adopt a patriotic, serious, and realistic policy."

[From the Tampa (Fla.) Times, Oct. 14, 1963]

DOMINICANS UNCOVER RED MENACE

(By Robert S. Allen and Paul Scott)

WASHINGTON.—Despite those carefully planted State Department news stories to the contrary, the military junta that ousted President Juan Bosch did uncover a real Communist menace within the Dominican Republic.

J. T. Bonilla-Atiles, the Dominican Republic's new ambassador to the OAS, has turned over shocking evidence of this Communist infiltration to both the Organization of American States and the Senate Armed Services Preparedness Subcommittee, which

is probing Communist infiltration in the Caribbean.

His alarming report includes the names of a dozen Communists or fellow travelers and their key roles in the Bosch cabinet or other government agencies including:

Dr. Miguel Angel Dominguez Guerra, minister of interior; Dr. Diego Bordas, minister of industry; Luis del Rosairo Ceballos, minister of public works; Migual Angel Valazques Mainardi, secretary of senate, Julio Martinez, director of government TV-radio station, Santo Domingo, and Ramon Alberto Ferreras Manuel, official of government TV-radio network.

Of these high-level officials in the Bosch government, the activities of Dr. Guerra were the most blatantly pro-Castro. The Bonilla-Atiles report reveals that Bosch's minister of interior greeted Communist agitators from Cuba with open arms, stating:

"Dr. Miguel Angel Dominguez Guerra, minister of the interior and police, is a member of the Partido Socialista Popular (Communist Party) and also brother-in-law of the well-known Communist, Dr. Tulio Hostilio Arvelo Delegado, whom he hid in his residence when the latter was facing deportation by the Consejo de Estador (former government before Bosch) because of his Communist activities.

"Most of the weapons and firearms in the hands of the Communists today in the Dominican Republic were smuggled in by Dr. Guerra during the time he was in the cabinet."

The reference to Dr. Diego Bordas, the minister of industry, who is now in exile in Puerto Rico with Bosch, is just as sensational.

According to the Bonilla-Atiles report, "Dr. Bordas is one of the most active economic backers of the MPD (Marxist-Leninist Party)." He toured the United States and Europe with Bosch following the latter's election last year.

The report charges that "Dr. Bordas, at the time of the military takeover, was planning a revolution of his own, in close association with the Communists and leaders of the MPD. Before he was arrested and deported, Dr. Bordas started to place his Communist friends in key positions in government enterprises, including a major cement plant."

Julio Martinez, ousted director of the government's TV-radio station in Santo Domingo, was one of the founders of the Cuban Communist newspaper Revolucion. Together with Ramon Manuel, he directed the radio-TV attacks against all of Bosch's opponents, including blasts at the United States.

One of Bosch's most mysterious advisers, according to the report, was Sacha Volman. He is described as the "two-beak eagle" because of reports that he worked for the CIA and the Russians. Another mystery man was Sanchez Fernandez, former president of Union Civica Nacional. Expelled because of his Communist activities, Sanchez Fernandez is now in Russia.

A second report detailing how the Bosch government paid for trips of Dominican Republic students and government officials to Cuba is being prepared for submission to the OAS and the Senate committee by the military junta.

The military leaders, headed by Armed Forces Minister Elby Vinas Roman, are ready to turn over all this information to the State Department when requested to do so. At the present time, because the new government is not recognized by the United States, no formal submission of the information can be made to the United States.

Since ousting Bosch, the military have outlawed the Communist Party and organizations supporting Cuban Premier Fidel Castro, arresting more than 100 officials and deporting them.

OPERATION LIFT UP—BOYS' CLUBS OF AMERICA

Mr. ALGER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LINDSAY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. LINDSAY. Mr. Speaker, as you know, we in Congress have been significantl, aware of the many problems related to our youth and more particularly the many problems confronting the youngster who is in the "age of decision"; that is, the age, or period of his life, when the decisions he makes, and the guidance he receives, shall contribute noticeably to the course and paths he shall follow in his future adulthood. Legislation has been introduced regarding several areas related to youth in order to help alleviate some of the problems confronting the youth of our Nation during these critical years of his life. Many programs are currently being conducted on a Federal and State level to help with the resolution of these problems and to help guide them into constructive occupations and professions.

Today, I would like to call to the attention of my colleagues an outstanding program being carried on through the Boys' Clubs of America in order to help hundreds of thousands of boys throughout America find their proper place in today's complex society.

Operation Lift Up is an action program sponsored by Boys' Clubs of America in an attempt to:

First. Motivate boys to stay in school.

Second. Help the school dropout.

Third. Broaden cultural horizons.

An especially prepared booklet entitled "Operation Lift Up" has been prepared by the Program Services Department of the Boys' Clubs of America which very effectively presents the facts about school dropouts—who they are—how many, and so forth. The booklet continues on and devotes itself to "Guidelines for Action," "Here Is What You Can Do," "Some Examples of What Is Being Done," together with a list of selected resources.

This booklet, as outstanding as it is, is but one part of a comprehensive kit which is being distributed to the more than 600 boys' clubs throughout the United States serving hundreds of thousands of boys in order to help with one of our most serious national problems—school dropouts.

Operation Lift Up, according to John M. Gleason, national director of Boys' Clubs of America, "is a major national effort to teach boys' club members the value of education and to motivate them to continue school and training. Its purpose is to conserve the resources of our youth and to help combat the school dropout problem."

Emphasis has been called to the attention of the local boys' club that each of them has a stake in this concern and every boys' club is strongly urged to take action.

The Operation Lift Up kit includes the following:

First. Operation Lift Up booklet—the plan of action.

Second. Boys' club resources—materials developed by Boys' Clubs of America to help clubs implement this action program.

Third. Supplementary material—consisting of other selected resources materials to further aid local boys' clubs in their program.

Operation Lift Up is a continuing program of Boys' Clubs of America. Plans of the national organization include sending, periodically, current material on scholarships, personal enrichment programs, new youth legislation and other pertinent information to its local constituents.

One additional outstanding phase of the Operation Lift Up program is the booklet entitled "Career Clubs," again a product of the program services of Boys' Clubs of America. It is an effective and practical booklet encouraging the local units to develop career clubs. This booklet tells how to organize and conduct career clubs. Furthermore, it is rich in ideas for meetings and projects, including specific aids which have been developed for the various major areas of need in vocational counseling.

The material is nontechnical and is aimed at volunteer workers as well as regular staff members who work with groups. It is geared to serve as an aid in opening new horizons for youngsters, helping them to appraise their own interests and abilities and finding the career that is right for them.

Mr. Speaker, I should like to call to the attention of my colleagues and all Americans, this program and the outstanding contribution the Boys' Clubs of America is making, and will no doubt further make in its program, Operation Lift Up, to the youngsters of our Nation particularly with regard to their school activities and search for a proper place in our society. Boys' Clubs of America, which is chartered by Congress, is again worthy of our commendation.

PHYSICIANS' COMMITTEE FOR THE AGED THROUGH SOCIAL SECURITY

Mr. ALGER. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, a group of physicians, under the name of Physicians Committee for Health Care for the Aged Through Social Security, has sent Members of Congress a pamphlet in support of H.R. 3920 and S. 880. This pamphlet, which seeks to influence Members of Congress and the public on this legislation, contains many misleading and inaccurate statements as well as assumptions unsupported by evidence.

The very title of the pamphlet is deceptive: "Why Physicians Support Hospital Insurance for the Aged Through

Social Security." Members of Congress are sufficiently well informed to realize that only a few physicians support this legislation. But the title of the pamphlet could well deceive many people not so well informed into believing that the medical profession favors the proposal. It seems reasonable to assume that these words were carefully chosen in an attempt to conceal the fact that out of more than 271,000 physicians in the country only 40 have expressed a willingness to be identified with this committee or to become signatories to a pamphlet of this kind.

The opening statement that "physicians have long been concerned because the elderly of our Nation live in fear of the catastrophic costs of hospitalization" is a blatant appeal to emotionalism and is totally out of context.

Physicians, more than anyone else except the aged themselves, know, or should know, that the prospect of being hospitalized is of less concern to the majority of older Americans than many other aspects of living during retirement years. This is not to say that they have no concern about the possible economic consequences of illness. Indeed they do, as evidenced by the fact that some 60 percent of the population over 65 now has health insurance protection. Nearly 10 million aged have health insurance, a half million have incomes of $10,000 a year or more, more than 2 million receive medical care under the old-age assistance program, and more than 120,000 a month avail themselves of the benefits of the Kerr-Mills law. These facts alone reveal the absurdity of the portrait of the aged as a monolithic 17½ million-member group of citizens perpetually haunted by the fear of the cost of hospitalization—not hospitalization itself, but its cost.

The American Medical Association and State and county medical societies as well as myself and others in public life for several years have sought evidence of individuals in this country being denied medical care because they cannot pay for it. The AMA has twice asked Members of Congress for any information of cases of this kind so that the needed medical care can be provided and Members of Congress, including myself, have in turn asked our constituencies for such information. Hundreds of county societies have advertised in newspapers soliciting such information and pledging help to anyone who needs it. Only a few cases have been brought to the attention of the profession or the Congress and in most instances these cases turned out not to be examples which King-Anderson type legislation would help.

A subsequent statement in this pamphlet builds upon the first overstatement; namely, that "physicians know that because of this fear—of hospital costs—many older people who need hospital care do not get it at all or get it too late."

If these 40 physicians, most of whom are associated with hospitals, clinics, or health care plans, can say unequivocally that they know that many older people are not receiving needed hospital care solely because of financial fears, they must have concrete evidence of it, including circumstances and names. And if they have, it is incredible that they do not provide these people with the hospitalization they need or call the cases to the attention of others who will.

Members of this committee, in a number of instances such as these, have made unqualified statements without benefit of supporting evidence, or have utilized the device of selective statistics to reinforce their arguments.

Health insurance and prepayment plans are indicated in the pamphlet as inadequate or too costly for the elderly. The physicians who attached their names to this pamphlet, however, offer no standard for measuring adequacy and, if they have one, do not apply it against policies the aged are buying. The fact that some 10 million of the aged have purchased health insurance would seem to demolish the argument that it is too costly.

The Kerr-Mills Act is dismissed as having clearly failed to meet the needs of any but a very few of the very neediest aged. Other erroneous or misleading statements made about Kerr-Mills include:

1. Less than 7 out of every 1,000 aged people in the Nation (in the spring of 1963) were receiving any assistance under MAA.
2. Kerr-Mills funds are used in large part to subsidize existing State relief programs.
3. Benefits are generally meager, spotty, and often uncertain. In many instances, limited State tax resources and high cost of good care have resulted in the use of facilities that endanger health and safety.
4. Administrative costs have run as high as 124 percent of the benefits in one State (Kentucky).
5. The relief that is available is given only after resources are used up and incomes are permanently reduced.
6. Relatives with modest incomes may even be taken to court and forced to give aid.

Whoever wrote this pamphlet evidently avoided an examination of the Kerr-Mills record. This record, which is available from the Department of Health, Education, and Welfare, is not one of largely subsidizing State relief programs or helping only very few of the very neediest aged.

Only about 30 percent of MAA recipients have been transfers from other programs, mainly old-age assistance. Nevertheless, OAA medical care payments have steadily increased since the Kerr-Mills Act became effective, and in addition to MAA benefits as of May 1963, were running at the rate of nearly $350 million a year. The statistic that only 7 out of 1,000 aged were receiving MAA assistance is deceiving. The fact is that by the spring of 1963, about 7 in 1,000 were being helped every month.

It would seem obvious that most of the very neediest aged were still receiving medical care through OAA now as in the past and that the bulk of MAA expenditures—nearly $29 million in May 1963—are being paid for assistance to aged who are not on OAA rolls.

Furthermore, since a majority of the aged live in States which have implemented Kerr-Mills, a figure of 7 of 1,000 may well be a measure of the need for such an assistance program for the aged rather than an indication of failure as this pamphlet suggests.

States with Kerr-Mills programs may be interested in the charge that they are administering them in some instances in a manner actually endangering the health and safety of the aged. This charge, like other charges in the pamphlet, is not documented.

So far as Kentucky is concerned, elementary principles of fair play should dictate that this State's experience with Kerr-Mills administrative costs should be examined on the basis of current facts. Administrative costs in Kentucky now are reported to be running under 5 percent.

The statement is simply not true that Kerr-Mills assistance is available "only after resources are used up and incomes are permanently reduced." All the State laws are designed to conserve the recipient's minimum resources and no State requires permanent reduction of income. Resource and income limits are measures of eligibility, intended to assure that tax funds will not be dissipated on those able to finance their own health care. The aged who are eligible suffer no loss of income from the operation of the Kerr-Mills program. On the contrary, their incomes are preserved, not reduced. A number of States, as they have gained experience with Kerr-Mills programs, have increased the resource and income limits and thus brought benefits to greater numbers of the aged.

The charge that relatives with "modest incomes" may be taken to court is patently a scare technique. Fewer than half the States with Kerr-Mills programs functioning in January this year had relative responsibility laws. None of these laws is designed to force those with "modest incomes" to contribute to support of relatives. Their own incomes and financial obligations are taken into consideration in determining their ability to assist. It is interesting that the pamphlets says relatives "may" be taken into court, not that they are. Consequently, it must be concluded that the sentence is intended to frighten the uninformed.

The pamphlet describes the hospitalization program proposed in H.R. 3920 and S. 880 as insurance, with benefits to be paid as "a matter of earned right." Everyone familiar with the Social Security law knows that current taxes pay current benefits and that an individual's payroll taxes are not set aside for his future benefit. The Internal Revenue Service considers social security benefits as gifts from one group of taxpayers to another and are therefore not taxable. The "earned right" contention implies a contract between recipient and the Government. There are, of course, obvious flaws in such reasoning. More than 17 million aged who would be entitled to benefits of this legislation immediately, for example, could not claim an earned right, since they would have paid nothing under the program. Furthermore, these 17 million would comprise the majority of eligibles for many years to come. More important to this argument, however, is the implication that Congress would be foreclosed from amending the

law, once enacted, to reduce benefits. This, of course, is nonsense. Moreover, the solvency of the Social Security System rests, not on actuarial insurance principles, but on the power of Congress to levy taxes and the further power of Congress to reduce benefits as an alternative to increasing taxes if the program runs into serious financial trouble.

The writer of the pamphlet has in other respects been careless with facts, stating that the proposed legislation would "permit voluntary organizations, such as Blue Cross, to perform certain administrative functions," would "utilize State agencies in planning, in determination of eligibility of providers of services and in consultation to the providers" and would guarantee free choice of physician and hospital.

Private organizations could not on their own initiative step in and perform administrative functions. They could enter the picture only if invited by providers of services and then only by agreement with the Secretary of Health, Education, and Welfare on his terms. State agencies could become involved in all the functions mentioned only on the Secretary's request.

Free choice could not be guaranteed to all the aged eligible for benefits, despite the language of the legislation. Services would be available only in those institutions participating in the program under agreement with HEW. Free choice, as used in this pamphlet and in the legislation, could be guaranteed to the recipient only if every hospital and every nursing home and every home nursing agency was forced to participate.

One final observation should be made. The Physicians Committee for Health Care for the Aged Through Social Security has by submitting this pamphlet to Members of Congress become directly engaged as an organization in lobbying. Has it complied with the law and registered as a lobbyist? I find no record of this.

I shall have more to say about this physicians committee when I complete my investigation of its memberships' extensive participation in Federal research grant programs and in other programs utilizing Federal funds.

OTTO OTEPKA

Mr. ALGER. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. KYL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. KYL. Mr. Speaker, I do not know Otto Otepka. I have never met Otto Otepka, nor his lawyers. I do know that for many years one Otto Otepka, GS-15, served his Government as supervisory personnel security specialist in the office of Deputy Assistant Secretary for Security, Department of State, rising to the post of Deputy Director of the Office of Security, a post from which he has since been demoted without fault on his part. Mr. Otepka had "excellent" efficiency ratings and special commendations for his work in that assignment. On September 23, 1963, he was charged with conduct unbecoming an officer of the State Department. His alleged offense was that he talked. But he did not talk to just anyone. He talked to an authorized agent of the U.S. Senate Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws. Of greater significance was the fact that the information he gave to said committee was contrary to testimony given that body by other, but higher ranking State Department officials. It should also be mentioned that Mr. Otepka had testified many times before that Senate committee under oath with the knowledge and permission of the Department and on occasion he found that some of his statements were not consistent with other statements made by others who were also under oath. The Senate investigators and Mr. Otepka probably were interested in somehow arriving at the truth.

There are at least two aspects of this proposition which merit attention of the House as well as the Senate. First, there is the obvious fact that congressional investigations cannot achieve any worthwhile purpose whatsoever if every officer of the State Department can invoke executive privilege to prevent testimony. Nor can the committees of Congress ever hope to arrive at the truth in their investigations if every employee who deals with specific subjects must live in fear that his assistance to such committees will cause his dismissal.

Suppose Mr. Smith supervises Mr. Jones and Mr. Smith testifies before a congressional committee under oath. Mr. Jones knows that his superior's testimony was not true. Does Mr. Jones go to Mr. Smith and ask, "May I give the committee evidence that you did not tell the facts as they actually existed?"

A second subject of import is embodied in the apparent dual standard of justice enforced too frequently by administrative officials.

The Congress passed legislation to help guarantee security of the United States. The Congress felt, for example, that there are instances in which it might be difficult to prove in open court that a certain person might be of danger to the United States. The law was designed to give certain discretionary powers to deny passports when there was good reason to suspect the subversive nature of an applicant. It was the interest of the Nation that Congress sought to protect.

However, this law has been turned 180° by the State Department. The law is now simply used to protect the interest of the applicant. Department policy dictates that passports should not be denied unless the facts showing subversive acts or connections can be proved in open court. A person denied the passport has the right to see all the evidence on which a decision has been made.

However, in the case of Otto Otepka, State Department employee and unquestioned loyal citizen of the United States, such access to the records is not accorded. His counsel has been refused the right to view all the evidence. Remember, he has not been charged with disloyalty to the country. The charge against him is "conduct unbecoming an officer of the State Department."

This charge becomes more interesting in view of the revelation that one Herbert K. May, Deputy Assistant Secretary of State for Inter-American Affairs recently was allowed to submit his resignation, which was accepted by the administration with the usual profound regrets, in spite of the fact that Mr. May forgot to file income tax returns from 1953 to 1961. Was Mr. May's negligence "action unbecoming an officer of the State Department"?

Now it would seem that any standard of conduct for any department of Government should begin with honesty and that the benefit of doubt should be given to a man who has been commended on several occasions for a display of the fundamental wholesome characteristics. I am tempted to wonder whether Mr. Otepka's crime lies in his being dishonest or honest. Remember, I know Mr. Otepka only from the State Department's previous commendations.

It will be most difficult for Mr. Otepka or the Senate subcommittee to get any early answers to some questions which should be answered. Now that the case is pending, no one can say anything to anybody without violating an administrative order.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HAGAN of Georgia (at the request of Mr. VINSON), for today, on account of official business.

Mr. KORNEGAY (at the request of Mr. ALBERT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. WATSON, for 20 minutes, today.

Mr. FOREMAN, for 1 hour, today.

Mr. LIBONATI (at the request of Mr. BROWN of California), for 60 minutes, today, to revise and extend his remarks, and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DENT.

Mr. HECHLER and to include extraneous matter.

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

Mr. CAREY.

Mr. LIBONATI in three instances.

Mr. FRIEDEL.

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

Mr. SNYDER.

Mr. MCLOSKEY.

Mr. SCHADEBERG.

Mr. MCDADE.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 26. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 716. An act for the relief of Gaetano Fuccio; to the Committee on the Judiciary.

S. 741. An act to amend title 18, United States Code, to prohibit schemes in interstate or foreign commerce to influence by bribery the outcome of sporting contests, and for other purposes; to the Committee on the Judiciary.

S. 1385. An act for the relief of George Alexander Doumani; to the Committee on the Judiciary.

S. 1446. An act for the relief of Andreina Viselli; to the Committee on the Judiciary.

S. 1451. An act to amend section 41(a) of the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

S. 1479. An act for the relief of Dr. Demetrios Flessas and Dr. Eugenia Flessas; to the Committee on the Judiciary.

S. 1516. An act for the relief of Ana Murgelj; to the Committee on the Judiciary.

S. 1524. An act for the relief of Hai Yung Jung and Johnny Jung; to the Committee on the Judiciary.

S. 1664. An act to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the United States, and for other purposes; to the Committee on the Judiciary.

S. 1737. An act for the relief of Arthur Wendell Bolta; to the Committee on the Judiciary.

S. 1812. An act for the relief of William John Campbell McCaughey; to the Committee on the Judiciary.

S. Con. Res. 66. Concurrent resolution withdrawing suspension of deportation of Joe Quong; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

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

ADJOURNMENT

Mr. BROWN of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until Monday, November 4, 1963, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1344. A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a report of actual procurement receipts for medical stockpile of civil defense emergency supplies and equipment purposes for the quarter ending September 30, 1963, pursuant to the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1345. A letter from the Assistant Secretary of the Interior, relative to an application for a $1,051,000 supplemental loan to the Jackson Valley Irrigation District, Amador County, Calif., pursuant to 70 Stat. 1044, as amended June 5, 1957, 71 Stat. 48; to the Committee on Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BENNETT of Florida:

H.R. 8994. A bill to amend section 132 of the Legislative Reorganization Act of 1946 to provide for certain periods of adjournment of Congress; to the Committee on Rules.

By Mr. BONNER:

H.R. 8995. A bill to aid in the administration of the Pribilof Islands, in Alaska, by the Secretary of the Interior and to provide for the self-sufficiency of the inhabitants thereof, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BURKHALTER:

H.R. 8996. A bill to authorize the Secretary of the Interior to reconstruct, rehabilitate, improve, operate, and maintain the Palmdale project, California; to the Committee on Interior and Insular Affairs.

By Mr. CAREY:

H.R. 8997. A bill to provide for the construction of a 350-bed addition to the Fort Hamilton veterans hospital in New York; to the Committee on Veterans' Affairs.

By Mr. FRASER:

H.R. 8998. A bill to provide assistance to certain States bordering the Mississippi River in the construction of the Great River Road; to the Committee on Public Works.

By Mr. KILGORE:

H.R. 8999. A bill to provide for the settlement of claims of certain inhabitants of the United States living in the area inundated by the sudden floods of the Rio Grande as a result of the construction of the Falcon Dam, and for other purposes; to the Committee on the Judiciary.

By Mr. DENT:

H.R. 9000. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. MOSS:

H.R. 9001. A bill to amend section 453 of the Internal Revenue Code of 1954 with respect to the time for electing the installment method of returning certain income; to the Committee on Ways and Means.

By Mr. ROUSH:

H.R. 9002. A bill to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SECREST:

H.R. 9003. A bill to impose quota limitations on imports of foreign residual fuel oil; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas:

H.R. 9004. A bill to transfer control of Pershing Hall to the Administrator of Veterans' Affairs in order that such building may be preserved as a memorial to General of the Armies of the United States John J. Pershing while being utilized in the best interests of the United States; to the Committee on Veterans' Affairs.

By Mr. VAN DEERLIN:

H.R. 9005. A bill to establish a National Economic Conversion Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GURNEY:

H.R. 9006. A bill to provide for the tariff classification of certain particleboard; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 9007. A bill to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the issuance of regulations to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes; to the Committee on Public Works.

By Mr. PUCINSKI:

H.R. 9008. A bill to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education, and to authorize for teachers in private nonprofit schools certain benefits under the provisions of titles V and VI of such act provided for teachers in public schools; to the Committee on Education and Labor.

By Mr. MORGAN:

H.R. 9009. A bill to amend further the Peace Corps Act, as amended; to the Committee on Foreign Affairs.

By Mr. CAREY:

H.R. 9010. A bill to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education, and to authorize for teachers in private nonprofit schools certain benefits under the provisions of title V and VI of such act provided for teachers in public schools; to the Committee on Education and Labor.

By Mr. WAGGONNER:

H.R. 9011. A bill to amend the National Housing Act to authorize the Federal Housing Commissioner to make expenditures to correct substantial defects in one- to four-family dwellings covered by mortgages insured thereunder, or to compensate homeowners for such defects; to the Committee on Banking and Currency.

By Mr. CLARK:

H.J. Res. 790. Joint resolution proposing an amendment to the Constitution of the United States permitting nonsectarian prayer in public schools; to the Committee on the Judiciary.

By Mr. GURNEY:

H.J. Res. 791. Joint resolution to provide for a study of needed Federal-aid highway programs for 10 years following the termination of the present interstate and defense highway program by requiring the Secretary of Commerce to make a comprehensive investigation and study of highway traffic and needs based upon 20-year projections, and the changes determined necessary in the Federal-aid highway systems as a result thereof, and to report the results of such study and his recommendations for a 10-year highway program commencing June 30, 1972, to Congress; to the Committee on Public Works.

By Mr. EVINS:

H. Con. Res. 231. Concurrent resolution authorizing the printing of 5,000 copies of the study, "Tax-Exempt Foundations and Charitable Trusts: Their Impact on Our Economy", for the use of the Select Committee on Small Business; to the Committee on House Administration.

By Mr. ROONEY of New York:

H. Con. Res. 232. Concurrent resolution expressing the sense of Congress with respect to the persecution by the Soviet Union of persons because of their religion; to the Committee on Foreign Affairs.

By Mr. PILLION:

H. Res. 562. Resolution creating a select committee to conduct a study of the fiscal organization and procedures of the Congress; to the Committee on Rules.

By Mr. POWELL:

H. Res. 563. Resolution to grant additional travel authority to the Committee on Education and Labor; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ADDABBO:

H.R. 9012. A bill for the relief of Giuseppe Maggiore; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 9013. A bill for the relief of Dr. Dora V. Silva Arminan; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H.R. 9014. A bill providing for duty-free entry of one mass spectrometer; to the Committee on Ways and Means.

By Mr. MULTER:

H.R. 9015. A bill for the relief of Emanuale Balestrieri; to the Commi'tee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 9016. A bill for the relief of Antonio Fogliano; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 9017. A bill for the relief of Michaelangelo Guarino; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 9018. A bill for the relief of Yvonne May Hall; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

428. By Mr. CLARK: Petition of D. J. Gibson and 22,000 other citizens of Beaver, Bulter, and Lawrence Counties, Pa., protesting the action taken by the Supreme Court in banning Bible reading and prayer in the public schools; to the Committee on the Judiciary.

429. By the SPEAKER: Petition of Francis C. Shane, executive secretary, United Steelworkers of America, Committee on Civil Rights, Pittsburgh, Pa., petitioning consideration of their resolution with reference to requesting passage of H.R. 7152, the President's civil rights legislation; to the Committee on the Judiciary.

430. Also, petition of Dana McLean Greeley, president, Unitarian Universalist Association, Boston, Mass., relative to endorsing H.R. 7152 and S. 1731, relating to President Kennedy's civil rights legislation; to the Committee on the Judiciary.

431. Also, petition of Maximilian Moss, Brooklyn Jewish Community Council, Brooklyn, N.Y., relative to fully supporting the President's proposed civil rights legislation and urging its adoption; to the Committee on the Judiciary.

432. Also, petition of Steven Douglas Hughes, Salem, Oreg., requesting that the Committee on Interior and Insular Affairs cause to be created an incorporated territory known as "the Territory of Guam", and that there be created the Office of Delegate of the Territory of Guam; to the Committee on Interior and Insular Affairs.

433. Also, petition of Steven Douglas Hughes, Salem, Oreg, relative to requesting that the Reverend Imam of the Islamic Center of Washington, D.C., be invited for the purpose of giving prayers at the opening of the meetings of the House of Representatives, and that clergymen of the other faiths also be invited to appear likewise; to the Committee on Rules.

SENATE

THURSDAY, OCTOBER 31, 1963

(Legislative day of Tuesday, October 22, 1963)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the President pro tempore.

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

Eternal Father, Thou God of our salvation: In all the confusion and perplexity of these days of change and unrest, help us to keep inviolate in our souls a little shrine of quietness, a chapel of peace within, an altar of contrition, a sanctuary of sure and swift retreat, away from the strife of tongues, where the world's angry voices are dimmed.

And so here at this noontide pavilion of devotion, on which the founders' faith chiseled deeply, "In God we trust," we humbly bow with the deathless assurance, that turns even tragedy into triumph—"The Eternal God is our refuge, and underneath are the everlasting arms." Amen.

THE JOURNAL

On the request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, October 30, 1963, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 8427) to provide for the establishment and maintenance of a Central Intelligence Agency retirement and disability system for a limited number of employees, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 223) to provide for the printing of 3,000 additional copies of civil rights hearings, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 8427) to provide for the establishment and maintenance of a Central Intelligence Agency retirement and disability system for a limited number of employees, and for other purposes, was read twice by its title and referred to the Committee on Armed Services.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 223) to provide for the printing of 3,000 additional copies of civil rights hearings, was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on the Judiciary, House of Representatives, three thousand additional copies each of the publications entitled "Civil Rights Hearings, Before Subcommittee Numbered 5 of the Committee on the Judiciary, House of Representatives, Parts 1, 2, and 3", Eighty-eighth Congress, first session.

TRANSACTION OF ROUTINE BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, it was ordered that there be a morning hour, with statements limited to 3 minutes.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

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

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. HILL, from Committee on Labor and Public Welfare:

Dr. William Neill Hubbard, Jr., of Michigan, to be a member of the Board of Regents, National Library of Medicine, Public Health Service;

Dr. Robert S. Morison, of New York, to be a member of the National Science Board, National Science Foundation;

John H. Holt, and sundry other candidates for personnel action in the Regular Corps of the Public Health Service; and

Charles D. Larson, and sundry other candidates for personnel action in the Regular Corps of the Public Health Service.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

MISSISSIPPI RIVER COMMISSION

The legislative clerk read the nomination of Brig. Gen. Walter P. Leber, U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress approved June 28, 1879 (21 Stat. 37, 33 U.S.C. 642).

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

CALIFORNIA DEBRIS COMMISSION

The legislative clerk proceeded to read sundry nominations in the California Debris Commission.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PETITION

The PRESIDENT pro tempore laid before the Senate a petition signed by Ernest Angell, and sundry other citizens, praying for the repeal of the Internal Security Act of 1950, the Smith Act, and the Communist Control Act, and to suspend future enforcement of the Internal Security Act of 1950, which was referred to the Committee on the Judiciary.

BILLS INTRODUCED

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

By Mr. SYMINGTON:

S. 2272. A bill to insure the availability of certain critical materials during a war or national emergency by providing for a reserve of such materials, and for other purposes; to the Committee on Armed Services.

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

By Mr. DIRKSEN:

S. 2273. A bill relating to the status under the Internal Revenue Code of 1954 of the Local 738, I.B.T.-National Tea Co. employees' retirement fund; to the Committee on Finance.

By Mr. McGOVERN (for himself, Mr. BAYH, Mr. CLARK, Mr. GRUENING, Mr. LONG of Missouri, Mr. MORSE, Mr. NELSON, Mr. RANDOLPH, Mr. WILLIAMS of New Jersey, and Mr. YOUNG of Ohio):

S. 2274. A bill to establish a National Economic Conversion Commission, and for other purposes; to the Committee on Commerce.

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

By Mr. INOUYE (for himself and Mr. FONG):

S. 2275. A bill to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. RIBICOFF:

S. 2276. A bill to amend paragraph 1101(b) of the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacturing of polishing felts; to the Committee on Finance.

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

By Mr. HART:

S. 2277. A bill for the relief of Nicola Moric; to the Committee on the Judiciary.

RESOLUTION

PRINTING OF ADDITIONAL COPIES OF COMMITTEE PRINT ENTITLED: "MEDICAL ASSISTANCE FOR THE AGED—THE KERR-MILLS PROGRAM, 1960–63"

Mr. MANSFIELD (for Mr. McNAMARA) submitted a resolution (S. Res. 220) authorizing the printing of additional copies of committee print entitled "Medical Assistance for the Aged—The Kerr-Mills Program, 1960–63," for use by the Committee on Aging, which was agreed to.

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

MATERIALS RESERVE AND STOCKPILE ACT OF 1963

Mr. SYMINGTON. Mr. President, I introduce, for appropriate reference, a bill relating to the stockpiling of strategic and critical materials.

This bill represents the tentative recommendations of five of the six members of the Subcommittee on the National Stockpile and Naval Petroleum Reserves, of the Senate Committee on Armed Services.

I also point out that members reserve the right to support changes, provided such changes seem desirable after hearings on the proposed legislation are held.

The subcommittee, on which I have the privilege to serve as chairman, has recently conducted a series of hearings on the stockpiling of strategic and critical materials. Without laboring the reasons, let me say that it would appear clear that some supplies of materials now held in our stockpiles are in excess of what the Nation requires.

It also is clear that existing law prohibits disposal of most of this excess until after a formidable executive and legislative gantlet has been run.

Another factor which must be faced is the existence of several different stockpiles under several different authorities of law. The result is that much of the law on this subject has become obsolete, archaic, and executed.

The proposed legislation I am now introducing represents an attempt to bring the stockpiling law up to date, to simplify some of the overlapping provisions, and to fix clearly the responsibility for stockpiling decisions.

In this connection, it would appear that there is no completely painless way to dispose of some of the surplus. I believe persons affected by sales from the stockpile should have full opportunity to state their views, but if any progress is to be made, it would seem unavoidable that we must end the procedure of requiring the almost unanimous consent of everyone concerned before any disposal can be accomplished.

After consulting with the chairman of the Committee on Armed Services I anticipate that the bill will be referred to the Subcommittee on the National Stockpile and Naval Petroleum Reserves; and that the subcommittee will conduct hearings on it.

It may be these hearings will suggest better solutions than those proposed in this bill. If that is true, I am confident the subcommittee will be receptive to any reasonable suggestions.

Mr. President, I ask unanimous consent that the proposed legislation be printed in the body of the RECORD; and also a comparison of existing law with this proposed new legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed at this point in the RECORD together with the comparison referred to by the Senator from Missouri.

The bill (S. 2272) to insure the availability of certain critical materials during a war or national emergency by providing for a reserve of such materials, and for other purposes, introduced by Mr. SYMINGTON, was received, read twice by its title, referred to the Committee on Armed Services, 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 this Act may be cited as the "Materials Reserve and Stockpile Act of 1963."

SEC. 2. (a) The President of the United States is hereby authorized to determine from time to time, as provided in this Act, the types and kinds of materials that are strategic and critical to the national security and defense of the United States. As used in this Act the term "strategic and critical material" means any natural or synthetic raw material (as distinguished from any manufactured or fabricated form of such material except diamond dies and jewel bearings) (1) which would be required to meet the industrial and military needs of the country during the following national emergencies:

(A) Any period during which the United States is engaged in armed hostilities with a foreign nation;

(B) Any period following a nuclear attack on the United States when such materials are required for the industrial and economic recovery of the United States; and

(2) which would not be readily available in sufficient quantities from domestic or other sources during such periods.

(b) The President is also authorized to determine from time to time the form, subject to the limitations prescribed in section 2(a) hereof, and the quality and quantity of each strategic and critical material which shall be acquired and held in an inventory

for use in times of national emergency. Such inventory shall be known as the National Stockpile. No determination made by the President under this section shall become effective until the expiration of thirty days after such determination has been communicated, in writing, to the Armed Services Committees of the Senate and the House of Representatives.

(c) The Secretary of State, the Secretary of Defense, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the Administrator of General Services shall advise the President with respect to which materials are strategic and critical and with respect to the form, quality, and quantity in which such materials should be acquired and held in the national stockpile.

(d) The quantity of any strategic and critical material which the President determines is to be acquired for the national stockpile shall be known as the "stockpile objective" for such material.

(e) In determining the stockpile objective for any strategic and critical material, the President shall take into consideration such factors as he deems appropriate, but shall specifically consider what the military requirements of the Nation will be during a national emergency (including the industrial requirements for national defense purposes), and shall consider and make appropriate allowance for any quantities of such material which can reasonably be expected to be available to this Nation from domestic and other sources during a national emergency. Any such allowance shall be based upon known facts and the best intelligence information available to the President for estimating the requirements for, and the probable availability of such material during, a national emergency. The President shall, within six months after the date of enactment of this Act, issue an order or regulation setting forth the criteria to be considered in determining the stockpile objectives for any strategic and critical material. The order or regulation issued by the President pursuant to the requirement of this subsection and any amendment to such order or regulation shall not become effective until the expiration of 60 days after such order, regulation, or amendment has been submitted to the Committees on Armed Services of the Senate and the House of Representatives. The Secretary of Defense shall determine, on the basis of recommendations of the Joint Chiefs of Staff, the probable nature and duration of any national emergency for which strategic and critical materials held in the national stockpile may be required.

SEC. 3. (a) The President shall direct the Administrator of General Services, without regard to section 302(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252(c)) or section 3709 of the Revised Statutes (41 U.S.C. 5), to—

(1) make purchases of any strategic and critical material required to meet the stockpile objective prescribed under this Act for such material, which purchases shall be made (A) insofar as practicable from supplies and materials in excess of current industrial demand, and (B) in accordance with title III of the Act of March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10a et seq.); but no contract for the acquisition of any strategic and critical material shall be entered into under this Act if the quantity of such material to be acquired by the Government under such contract would result in the acquisition by the Government of a quantity of such material in excess of the stockpile objective for such material. Such determination shall be made on the basis of the quantity of such material currently in the national stockpile, plus any quantity of such material to be supplied under any contract previously entered into;

(2) provide for the storage, security and maintenance of strategic and critical materials in the national stockpile;

(3) provide for the refining or processing of any strategic and critical material in the national stockpile when, under a stockpile objective redetermination made pursuant to section 2 hereof, such material is no longer required in its present form to meet stockpile objectives;

(4) provide for the refining or processing of strategic and critical materials either before or after their acquisition for the national stockpile; and

(5) provide for the rotation of any strategic and critical material in the national stockpile by replacing such material with new or fresh material, substantially the same in kind and value as the material being replaced, when such action is necessary to prevent deterioration or to accomplish a change in the storage locations of such materials. Any materials to be replaced hereunder shall be disposed of at their fair market value, and any funds received on account of the rotation of such materials shall be available for carrying out the purposes of this paragraph.

(b) The Administrator of General Services is further authorized, with respect to materials which are determined to be no longer required to meet current stockpile objectives, to (1) exchange such materials at their fair market value for strategic and critical materials required to meet current stockpile objectives, or (2) dispose of such materials at their fair market value and apply the net proceeds of such disposal toward the cost of acquiring strategic and critical materials required to meet the current stockpile objectives.

(c) The provisions of the Renegotiation Act of 1951, as amended, shall apply in the case of all contracts and subcontracts entered into under authority of this Act for the acquisition, storage, security, maintenance, refining, processing, replacement, or rotation of strategic and critical materials, and the provisions of section 106 of such Act, relating to exemptions, shall not be effective with respect to such contracts and subcontracts.

(d) No strategic or critical material acquired for the national stockpile shall be refined, processed, or replaced pursuant to the provisions of subsection (a) of this section until the expiration of a period of sixty days after publication in the Federal Register and submission by the Administrator of General Services to the Committees on Armed Services of the Senate and the House of Representatives, of a written report setting forth the general plan for such refining, processing, or replacing. The President shall submit to the Congress annually a written report of actions taken by him under this section which report shall include a statement of foreign and domestic purchases and such other information pertinent to the administration of this section as will assist the Congress in evaluating such administration and in determining the need for amending such section.

SEC. 4. (a) In time of war and during any national emergency declared by him after the date of enactment of this Act, the President is authorized to classify information relating to the following, if he has first made a specific finding with respect to the information being classified that such action is necessary for the protection and security of the nation:

(1) materials which have been determined to be strategic and critical materials within the meaning of this Act;

(2) the form, quantity, and quality of such materials in the national stockpile; and

(3) the stockpile objectives for materials designated as strategic and critical materials;

(b) Except as provided in subsection (a) of this section, any information referred to in clause (1)-(3) of such subsection shall be held and considered to be public information and shall not be withheld from the people of the United States.

SEC. 5. Except as otherwise provided in this Act, materials in the national stockpile may be released for use, sale, or other disposition only (1) on order of the President at any time when in his judgment such release is required for purposes of the common defense, or (2) on order of any agency designated by the President, in time of war or during a national emergency declared by the President after the date of enactment of this Act, or (3) on order of the President when the discontinuance or interruption of a foreign source or sources of supply of a material will cause a dislocation of the United States economy which the President determines to be a threat to the industrial and economic security of the United States: *Provided*, That the President also determines that the release of such material from the national stockpile will not constitute an immediate risk to the United States ability to defend itself in a national emergency.

SEC. 6. (a) Whenever any department or agency of the Government holds any material which is currently designated a strategic and critical material within the meaning of this Act, and the head of such department or agency determines such material to be excess to the needs of that department or agency, such material shall be transferred to the national stockpile in accordance with such regulations as the Administrator of General Services shall prescribe. A material may be transferred to the national stockpile under this subsection only to the extent that the stockpile objective for the material is not exceeded. The foregoing provisions of this subsection shall not apply with respect to (1) any quantity of a strategic and critical material that is necessary to make up a deficiency of the supply thereof for meeting the current requirements of industry as determined by the Administrator of General Services, (2) any quantity of a strategic and critical material which constitutes contractor inventory if the department or agency concerned shall not have taken possession of such inventory, and (3) any quantity of a strategic and critical material which the Administrator of General Services determines is held in lots so small as to make the transfer thereof economically impractical.

(b) Except for any expenses incident to the physical transfer of any materials transferred pursuant to subsection (a) of this section, no charge shall be made against, and no reimbursement shall be made from, any funds made available for carrying out the provisions of this Act.

SEC. 7. (a) There is hereby established an inventory to be known as the materials reserve inventory which shall be composed of (1) materials in the custody of the Administrator of General Services which were heretofore or which are hereafter acquired pursuant to the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061–2166), and (2) materials which are in, or but for this section would have been placed in, the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)). Any notes payable to the Secretary of the Treasury representing the acquisition costs of any materials transferred to and made a part of the materials reserve inventory pursuant to clause (1) above shall, to-

gether with any obligations for unpaid interest thereon, be canceled, and the aggregate amount of borrowing which may be outstanding at any one time under section 304 (b) of the Defense Production Act of 1950 shall be reduced in an amount equal to the amount of any notes so canceled. Any materials transferred to the materials reserve inventory under clauses (1) and (2) above shall be transferred without charge against or reimbursement from funds made available for carrying out this Act.

(b) The Administrator of General Services, under the direction and guidance of the President, is hereby authorized with respect to the materials reserve inventory to—

(1) transfer to such inventory without charge or reimbursement any materials in the national stockpile which exceeds the stockpile objective determined or redetermined pursuant to section 2 of this Act;

(2) transfer to the national stockpile without charge or reimbursement any materials in the materials reserve inventory which are required to meet the stockpile objectives for such materials;

(3) exchange any materials in such inventory for materials in the national stockpile for the purpose of improving or maintaining the quality of or changing the location of materials in the national stockpile;

(4) commingle materials in the national stockpile with equivalent materials in the materials reserve inventory;

(5) apply materials in such inventory at their fair market value toward payment of any costs incident to the refining, processing, or replacement of materials in the national stockpile;

(6) apply materials in such inventory at their fair market value toward (a) the payment of handling, transportation, and other costs incident to the rotation of materials in the national stockpile, and (b) the payment of the difference, if any, between the price received for the materials being replaced and the price of the replacement materials;

(7) provide for the storage, security, and maintenance of materials in such inventory;

(8) provide for the rotation of any materials in such inventory by replacing such materials with new or fresh materials, substantially the same in kind and value as the materials being replaced, when necessary to prevent deterioration or to accomplish a change in the storage location of materials, and utilize materials in such inventory as payment in kind at their fair market value, as determined by the Administrator, for the payment of handling, transportation, and other costs incident to such replacement and for payment of the difference, if any, between the fair market value of the materials being used for payment in kind and the price of the replacement materials;

(9) transfer of any materials in such inventory to any department or agency of the Government for use by that department or agency;

(10) require, whenever practicable, that departments and agencies of the Government use materials from the materials reserve inventory in lieu of procuring such material from private sources;

(11) abandon, destroy, or donate to public bodies, materials in such inventory which have no commercial value or which do not have sufficient commercial value to justify the cost of further care and handling or making them suitable for transfer or sale; and

(12) sell materials in such inventory which are no longer required to carry out the purposes of this Act.

(c) Any sale of materials made pursuant to subsection (b)(12) of this section shall be made with due regard for protecting (1) the United States against avoidable loss, (2) producers, processors, and consumers against avoidable disruption of their usual markets, and (3) the foreign relations of the United States. In disposing of any material under this Act, the Administrator of General Services shall follow procedures which will, insofar as practicable, prevent the material being disposed of from being acquired, directly or indirectly, by Communist-controlled nations, if such material would not otherwise be available to such nations from other sources and the acquisition of such material by such nations would be detrimental to the national security of the United States. Any such sale shall be subject to the provisions of section 203(e), except paragraph (b), of the Federal Property and Administrative Services Act of 1949, as amended; provided, that the Administrator of General Services may restrict disposals by publicly advertised competitive bids, or by negotiation of any quantity of materials to a particular class of potential purchasers or any segment thereof, including but not limited to domestic users, small business, Department of Defense priority-rated orders, and domestic consumers, if he determines that such action is necessary to accomplish the purposes of section 7(c) (1), (2), or (3), hereof, or otherwise is necessary in the public interest in time of war and during any national emergency, or will promote the public health, safety, or national security, or is necessary to relieve a critical shortage in the domestic industry, or is in the best interest of the national economy.

(d) No sale pursuant to subsection (b)(12) of this section shall be made until the expiration of 60 calendar days after publication in the Federal Register and transmission of a notice of the plan of proposed disposition to the Committees on Armed Services of the Senate and House of Representatives. The notice required to be submitted to the Committees on Armed Services of the Senate and House of Representatives shall include detailed explanation of the manner in which the disposal plan meets the criteria set out in subsection (7)(c) of this Act. Such 60-day period shall not include days on which either the Senate or the House of Representatives is not in session because of an adjournment of more than three days.

SEC. 8. (a) The Secretary of the Interior is hereby authorized to make scientific, technologic, and economic investigations concerning the extent and mode of occurrence, the development, mining, preparation, treatment, and utilization of ores and other mineral substances found in the United States or its Territories or insular possessions, which materials are determined pursuant to section 2 hereof to be strategic and critical and the quantities or grades of which are inadequate from known domestic sources in order to determine and develop domestic sources of supply to devise new methods for the treatment and utilization of lower grade reserves, and to develop substitutes for such essential ores and mineral products, on public lands and on privately owned lands, with the consent of the owner, to explore and demonstrate the extent and quality of deposits of such minerals, including core drilling, trenching, test-pitting, shaft sinking, drifting, crosscutting, sampling and metallurgical investigations and tests as may be necessary to determine the extent and quality of such deposits, the most suitable methods of mining and beneficiating them, and the cost at which the minerals or metals may be produced.

(b) The Secretary of Agriculture is hereby authorized to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of supplies of any agricultural material or for using agricultural commodities for the manufacture of any material determined pursuant to section 2 hereof to be strategic and critical or substitutes therefor.

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 10. Except as otherwise provided herein, any funds hereafter received on account of sales or other dispositions of materials under the provisions of this Act shall be placed into the Treasury as miscellaneous receipts.

SEC. 11. (a) The Strategic and Critical Materials Stock Piling Act, as amended (53 State, 811; 50 U.S.C. 98a–h), is hereby repealed. All materials held in the national stockpile under authority of such Act on the date of enactment of this Act shall, on such date, become a part of the national stockpile authorized under this Act.

(b) Any contract which was entered into under authority of the Strategic and Critical Materials Stock Piling Act, as amended, and which has not been fully executed on the date of enactment of this Act, shall be carried out by the Administrator of General Services in the same manner and to the same extent as if such Act had not been repealed, but any materials acquired pursuant to such contract shall become a part of the national stockpile.

(c) Any disposal plan authorized pursuant to the provisions of the Strategic and Critical Materials Stock Piling Act, as amended, and which has not been fully executed on the date of enactment of this Act, shall be carried out by the Administrator of General Services under authority of this Act, without regard to provisions of subsection (a) hereof.

The comparison presented by Mr. SYMINGTON is as follows:

A comparison of some significant provisions of present law with proposed legislation on the national stockpile of strategic and critical materials

1. RESPONSIBILITY FOR DESIGNATING WHICH MATERIALS ARE STRATEGIC AND CRITICAL

Present law (Public Law 520, 79th Cong.)	Proposed legislation	Comment
Sec. 2(a) places responsibility for designating which materials are strategic and critical and the quality and quantity of materials to be stockpiled in the Munitions Board (authority now vested in OEP as successor to Munitions Board in this area).	Sec. 2 (a), (b), (d) gives the President responsibility for designating which materials are strategic and critical and the form, quality and quantity of materials to be stockpiled. Designates such inventory as national stockpile and defines "stockpile objective."	Proposed legislation centralizes authority.

A comparison of some significant provisions of present law with proposed legislation on the national stockpile of strategic and critical materials—Continued

2. DEFINITION OF STRATEGIC AND CRITICAL MATERIALS

Present law (Public Law 520, 79th Cong.)	Proposed legislation	Comment
Policy statement of Public Law 520 says one of the purposes of the law is to provide for the acquisition and retention of stocks of certain strategic and critical materials in which the United States is deficient or has insufficiently developed its supply so as to decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency.	Sec. 2(a) says: "As used in this Act the term 'strategic and critical' means any natural or synthetic raw material (as distinguished from any manufactured or fabricated form of such material, except diamond dies and jewel bearings)— "(1) which would be required to meet the industrial and military needs of the country during the following national emergencies: "(A) any period during which the United States is engaged in armed hostilities with a foreign nation; "(B) any period following a nuclear attack on the United States when such materials are required for the industrial and economic recovery of the United States; and "(2) which would not be readily available in sufficient quantities from domestic or other sources during such periods."	Present law does not define "strategic and critical materials" or specify the kinds of national emergencies for which the Government should stockpile. The proposed legislation explicitly defines "strategic and critical materials" and specifies the kinds of national emergencies for which materials can be stockpiled. The proposed legislation does not provide for stockpiling of end-use items such as copper tubing, steel beams, aluminum sheeting, etc. Should the Government decide stockpiling of end-use items is needed, new legislation would be required.

3. STOCKPILE OBJECTIVES

	Sec. 2 (d) and (e) defines "stockpile objectives." Requires that, 6 months after enactment, the President shall publish regulations setting forth criteria to be considered in determining stockpile objectives. Such regulations shall not become effective until the expiration of 60 days after submission to the Committees on the Armed Services of each House of the Congress. This section also provides that the Secretary of Defense, based upon recommendations of the Joint Chiefs of Staff, shall determine the probable nature and duration of any emergency for which strategic and critical materials may be required.	Public Law 520 has no provisions for publication of criteria and congressional opportunity for review. Nor does Public Law 520 provide for determination of probable nature and duration of national emergency by the Secretary of Defense based upon recommendations of the Joint Chiefs.

4. REFINING AND PROCESSING OF MATERIALS IN NATIONAL STOCKPILE

Sec. 3(c) provides for refining or processing of materials acquired or transferred under the act when such action is deemed necessary.	Sec. 3(a)(3) and 7(a)(5) provides for refining or processing of material in the national stockpile under a stockpile objective redetermination, when such material is no longer required in its present form to meet objectives. Also provides that excess materials can be used to pay costs.	Proposed legislation limits the conditions under which refining or processing of a material can be accomplished and provides that excess materials may be used to pay costs thereby providing an opportunity to save dollars and reduce surplus.

5. PROVISION FOR PUBLIC AND CONGRESSIONAL ADVISEMENT

A periodic report to the Congress on activities under the act is required under sec. 4 of Public Law 520.	Sec. 3(d) establishes a 60-day waiting period before activation of any plans for refining, processing, or replacing of materials pursuant to the provisions of sec. 3(a) and requires the publication of a general plan in the Federal Register as well as a transmittal of the general plan to the Committees on Armed Services of both Houses of Congress. In addition, this section requires an annual report by the President to the Congress on all activities under sec. 3.	The provision of the proposed legislation will give Congress and the public an opportunity to advise the President with respect to proposed refining, processing, or replacement transactions.

6. ROTATION OF MATERIALS IN THE STOCKPILE

Sec. 3(d) provides for rotation of materials in the national stockpile where necessary to prevent deterioration.	Sec. 3(a)(5) and 7(b) (6) and (8) provide for the rotation of materials in the national stockpile and the materials reserve inventory to prevent deterioration or to accomplish a change in storage location. Further provide that funds received on account of rotation are available for rotation purposes and that excess materials may be used as payment in kind at their fair market value for other costs incident to rotation.	The additional authority in the proposed legislation will accomplish savings in storage and transportation costs not possible under Public Law 520; also provides opportunities to use excess materials, thereby saving dollars and reducing size of surplus.

7. EXCHANGES AND DISPOSAL TO ACQUIRE MATERIALS FOR NATIONAL STOCKPILE

	Sec. 3(b) authorizes the acquisition of materials required to meet national stockpile objectives through (1) exchange of excess materials at their fair market value, or (2) the disposal of excess materials at fair market value and application of the proceeds for such acquisition.	This provision of the proposed legislation permits prompt acquisition of urgently needed materials without the expenditure of dollars.

8. RENEGOTIATIONS OF CONTRACTS

Public Law 520 makes no provision for renegotiation of stockpile contracts. Therefore, for lack of an exemption under Public Law 520, stockpile contracts are subject to the following provision of the Renegotiation Act of March 23, 1951 (title 50, United States Code, 1958 edition, sec. 1216), which states in part: "The provisions of this section shall not apply to * * *. (3) any contract or subcontract, for the product of a mine, oil or gas well, or other mineral or natural deposit, or timber, which has not been processed, refined, or treated beyond the first form or state suitable for industrial use. * * *"	Sec. 3(c) provides that all contracts entered into under the authority of the act shall be subject to the Renegotiation Act of 1951 "and the provisions of section 106 of such Act, relating to exemptions, shall not be effective with respect to such contracts and subcontracts."	This provision of the proposed legislation removes existing statutory exemptions attached to certain stockpile transactions and will prevent excessive profits on stockpile contracts, made under the authority of this act, in the future.

A comparison of some significant provisions of present law with proposed legislation on the national stockpile of strategic and critical materials—Continued

9. MATERIALS RESERVE INVENTORY

Present law (Public Law 520, 79th Cong.)	Proposed legislation	Comment
	Sec. 7(a) provides for the establishment of a materials reserve inventory, to be composed of all materials heretofore or hereafter acquired pursuant to the Defense Production Act, as amended, and the Agricultural Trade Development and Assistance Act of 1954, without reimbursement and under sec. 7(b)(1) any materials in the national stockpile which exceed the stockpile objective.	The proposed legislation would consolidate the various inventories into two inventories, consisting of the national stockpile, into which would be put the quantities of materials required to meet national stockpile objectives established pursuant to the proposed bill; and the materials reserve inventory, into which would be put all materials in excess of such established objectives.

10. TRANSFER AND EXCHANGE OF MATERIALS BETWEEN STOCKPILES

There is no mechanism to transfer any material from the national stockpile to either the supplemental stockpile or the Defense Production Act inventory even though material held in the national stockpile may be excess to its objective. Likewise, there is no established mechanism for transferring material from the supplemental stockpile to the national stockpile even though the national stockpile may not have enough of that material to meet the established objective. However, when there is not enough of a material in the national stockpile to meet its objective and there is some of that material in the supplemental stockpile, the material in the supplemental stockpile can be counted toward the objective. The Defense Production Act of 1950, as amended, provides for the transfer of excess materials in the Defense Production Act inventory to the national stockpile but if transferred the borrowing authority is reduced by an amount equal to the acquisition cost of the material. (No material has even been transferred from the Defense Production Act inventory to the national stockpile on a nonreimbursable basis.)	Under sec. 7(b) the Administrator of General Services Administration is authorized to— (1) Transfer to the materials reserve inventory without charge or reimbursement any materials in the national stockpile which exceeds the stockpile objective determined or redetermined pursuant to sec. 2 of this Act; (2) Transfer to the national stockpile without charge or reimbursement any materials in the materials reserve inventory which are required to meet the stockpile objectives for such materials. (3) Exchange any materials in such inventory for materials in the national stockpile for the purpose of improving or maintaining the quality of or changing the location of materials in the national stockpile; (4) Commingle materials in the national stockpile with equivalent materials in the materials reserve inventory.	This section of the proposed legislation provides for the transfer of materials between stockpile and excess inventory, provides a vehicle for the economical attainment of national stockpile objectives and provides for the efficient management of both the stockpile and the excess inventory.

11. USE OF MATERIALS IN MATERIAL RESERVE INVENTORY TO PAY CERTAIN COSTS

No provisions in the present law comparable to those in proposed legislation.	Sec. 7(b) authorizes Administrator of GSA to use materials from the materials reserve inventory, at their fair market value, to pay costs incident to— (1) Refining, processing, or replacement of materials in the national stockpile. (2) Rotation of materials in both national stockpile and materials reserve inventory.	Permits accomplishment of some stockpile objectives and some maintenance functions without expenditure of dollars. Plans for refining, processing, or replacement must be reported to the House and Senate Committees on Armed Services 60 days before the action is taken. Rotation is a normal maintenance function. This will simplify the administration of the stockpiles and update enabling legislation to reflect present-day conditions, with particular emphasis on efficiency in maintenance and benefication.

12. TRANSFER OF MATERIALS TO OTHER DEPARTMENTS AND AGENCIES

No similar provision.	Sec. 7(b) authorizes the Administrator of General Services to require, wherever practicable, that departments and agencies of the Government use materials from the materials reserve inventory in lieu of procuring such material from private sources, and to transfer any materials in such inventory to any department or agency of the Government for use by that department.	Provides an opportunity to reduce the cost of Government.

13. DISPOSALS FROM MATERIALS RESERVE INVENTORY

Public Law 520 provides for disposal of materials held pursuant to the act which become excess by reason of a revised determination under sec. 2. It requires publication of notice of intention to dispose in the Federal Register, and transmittal of such notice to the Armed Services Committees of both Houses of Congress. It further provides that no disposal is to be undertaken until the expiration of a 6-month waiting period after publication of notice and transmittal to the Congress, and then only after express approval of the proposed disposition by the Congress, except that disposals by reason of obsolescence do not require such approval by Congress. It also provides that disposal shall be made with due regard to the protection of the United States against avoidable loss and the protection of processors, producers and consumers against avoidable disruption of their usual markets.	The Administrator of GSA is authorized to— "(12) sell materials in such inventory which are no longer required to carry out the purposes of this Act." Sec. 7(c) carries forward the provision of Public Law 520 requiring protection of the Unites States against avoidable loss and protection of specified markets against avoidable disruption with respect to sales made under sec. 7(b)(12) of the new act. In addition, this section requires that due regard be given in disposals under sec. 7(b)(12) to the foreign relations of the United States and prevention of such material being acquired by Communist-controlled nations insofar as practicable if such material would not otherwise be available to such nations and the acquisition of such material would be detrimental to the national security of the United States. Under sec. 7(c) the Administrator is authorized to restrict disposals to particular classes of potential purchasers or any segment thereof if he determines such action is necessary to accomplish the purposes of sec. 7 or is otherwise in the public interest, but he must obtain the maximum possible competition. Sec. 7(d) provides for sales under the authority of sec. 7(b)(12) to be made upon expiration of a 60-day waiting period after publication of notice of the plan of proposed disposition and submission of such notice to the Committees on Armed Services of both Houses of Congress. Sec. 7(d) further provides that the notice to Congress shall include a detailed explanation of the manner in which the disposal plan meets the criteria set out in sec. 7(c).	The proposed legislation imposes the requirement that detailed explanation be given of the manner in which disposals under sec. 7(b)(12) meet the criteria of (1) avoiding loss (2) avoiding disruption of usual markets and foreign relations and (3) preventing materials being acquired by Communist-controlled countries under given circumstances. The proposed legislation retains congressional control but provides the executive branch flexibility so as to permit quick action in taking advantage of market conditions favorable to surplus disposal.

14. CLASSIFICATION OF STOCKPILE RECORDS AND DATA

	Sec. 4 restricts the authority of the President as to information he may classify, either in normal times, in time of war, or during any national emergency.	This new provision is designed to make available to the American people the maximum amount of information on the stockpiles of strategic and critical materials, consistent with national security.

A comparison of some significant provisions of present law with proposed legislation on the national stockpile of strategic and critical materials—Continued

15. RELEASE OF STOCKPILED MATERIALS

Present law (Public Law 520, 79th Cong.)	Proposed legislation	Comment
Sec. 5 *of Public Law 520* provides for the disposition (except for rotation and disposals) of national stockpile material on order of President when, in his judgment, release is required for purposes of the common defense, or on order of any agency designated by the President in time of war or during a national emergency.	Sec. 5. Except as otherwise provided, materials in the national stockpile could be released for use, sale, or other disposition only (1) on order of the President at any time when, in his judgment, such release is required for purposes of the common defense, or (2) on order of any agency designated by the President, in time of war or during a national emergency declared by the President, or (3) on order of the President when the discontinuance or interruption of a foreign source or sources of supply of a material will cause a dislocation of the United States economy which the President determines to be a threat to the industrial and economic security of the United States: *Provided*, That the President also determines that the release of such material from the national stockpile will not constitute an immediate risk to the United States ability to defend itself in a national emergency.	Proposed legislation provides authority similar to present law, except that release by agencies designated by the President would be restricted to declared emergencies. In addition, the proposed legislation would authorize Presidential release when there is a disruption of foreign source of supply that is determined to be a threat to the industrial and economic security of the United States.

NATIONAL ECONOMIC CONVERSION COMMISSION

Mr. McGOVERN. Mr. President, I introduce, for appropriate reference, for myself and Senators BAYH, CLARK, GRUENING, LONG of Missouri, MORSE, NELSON, RANDOLPH, WILLIAMS of New Jersey, and YOUNG of Ohio, a bill to establish a National Economic Conversion Commission to develop plans for economic adjustments to changes or reductions in our defense expenditures.

This legislation recognizes that the Nation has found it necessary during the cold war years since World War II to make a heavy economic commitment for defense.

The act declares that our security requires a capacity to adjust our defense establishment to changing military and international conditions. Such a capacity includes preparation for the conversion of any part of our military plant to civilian purposes.

This legislation offers one means by which the people of the United States can safely embrace reasonable opportunities for converting the instruments of war to the tools of peace. It should add to the flexibility, the efficiency, and the strength of our entire security system.

The bill seeks to accomplish these purposes as follows:

PROVISIONS OF THE BILL

A National Economic Conversion Commission would be established in the Executive Office of the President. The Commission, headed by the Secretary of Commerce, would include the Secretaries of Defense, Agriculture, Labor, and Interior, the Chairmen of the Atomic Energy Commission and the Council of Economic Advisers, and the Directors of the Arms Control and Disarmament Agency and the National Aeronautics and Space Administration.

The Commission would have responsibility for drafting a blueprint of appropriate actions by departments and agencies of the Federal Government to facilitate conversion. This should include preparation of schedules of possible private and public investment patterns resulting from various degrees of economic conversion and the employment and income effects that may be expected therefrom. This analysis would be submitted to the President and to Congress within 1 year after the enactment of the act.

The Commission would convene, within the next 12 months, a National Conference on Industrial Conversion and Growth to focus nationwide attention on these problems and to encourage appropriate study and programing for economic conversion in all relevant parts of the Nation's economy.

The Commission would counsel with the Governors of the States to encourage appropriate and timely preparation in support of conversion capability.

In addition to the National Economic Conversion Commission, the bill provides that defense plants under contract to the Department of Defense, the Atomic Energy Commission, or the Space Agency shall have in their managements an operating conversion committee. Such committees would be required in all plants engaged in defense work for 1 year or more and whose personnel are 25 percent or more so engaged.

Each industry committee would be charged with planning for the conversion of the facility from military to civilian work, as required in the event of contract changes owing to terminations, cutbacks, or stretchouts.

Many firms will find it possible to make appropriate plans for coping with conversion problems on their own, but others will be unable to plan with their own competence and will need the counsel and assistance of Government.

UNCERTAINTIES OF THE DEFENSE ECONOMY

As the Members of the Senate know, I have previously expressed the conviction that we have reached a point when we can make careful reductions in arms expenditures without in any way endangering the security of the Nation. Regardless of whether this view prevails, we can anticipate a leveling off of numerous defense projects, and significant shifts in the character of defense spending. Plans to make economic adjustment to such changes should be prepared by both Government and private industry. The bill which I introduce today establishes the machinery to inaugurate such planning.

Uncertainties, many of which depend upon factors beyond our control, provide the backdrop for the proposed legislation. The proposal is designed to ease the conversion or modification of our arms industries and installations to civilian purposes. If we are to avoid painful economic dislocations and loss of job opportunities resulting from reductions or changes in our defense system, we must develop procedures now for anticipating and meeting these problems.

The New York Times of July 12, 1963, reported that Defense Secretary McNamara foresees a leveling off of defense spending. As a result of cost-efficiency achievements, Mr. McNamara has indicated that annual savings of $4 billion may be reached by 1964. This does not necessarily mean a reduction in combat forces or overall military spending, but it does point up the changing character of defense operations.

An earlier report, in the Times for June 30, indicated that administration officials are giving serious consideration to a substantial cut in the weapons acquisition program of the Atomic Energy Commission.

The Congress has recently reduced by more than a billion dollars the requested Defense Department appropriations for fiscal 1964.

The changing demands of our security in the 1960's necessarily involve a constantly shifting and changing Defense Establishment. For example, during the past 2 years, we have been allocating increased billions of dollars to our conventional warfare and mobile force capability. Simultaneously, we have been phasing out B-47 strategic bombers and modifying our missile system. Secretary McNamara has recently blocked construction of nuclear aircraft carriers.

These and other anticipated changes in defense allocations point up the uncertainty of any existing weapons system or military installation.

THE CHANGING COLD WAR SCENE

Even more fundamental changes may occur in our military forces and defense-related industries if the pattern of the cold war should shift substantially. There are new indications that Russia may be changing the direction of her cold war tactics. Mr. Khrushchev's disavowal of the moon race, his sharp differences with the Chinese Communists, his expenditure of large sums for food, ought to be viewed with healty skepticism, but they are indications, nonetheless, of a possible change in Soviet tactics.

It is possible that our rivalry with the Soviets may move more and more into an economic, cultural, and ideological conflict in which military weapons would serve an increasingly secondary role. If the President's hope for the test ban as "a first step" to peace is fulfilled by additional steps to peace, then surely we can anticipate a change in military spending by the great powers. Any significant success in the long effort to reach agreement on disarmament would, of course, sharply affect the level of defense spending.

In August 1963 the monthly survey of the Morgan Guaranty Trust Co. reported that even though it might be premature to hope for a thaw in the cold war, the time has come to prepare for a reduction and shifts in defense spending. It commented:

> Well before the Moscow [test ban] accord, a number of developments were suggesting the possibility of a break in the pattern of steadily increasing outlays for national security. Even clearer have been the signs that the composition of defense expenditure is likely to shift. Either event—reduction or restructuring—would impose economic adjustments on individuals, companies, and communities. The prospect, therefore, ought to be receiving consideration in the private sector of the economy, where adjustment would chiefly fall. Thus far, it appears to have been rather broadly neglected.

U.S. ECONOMY CAN THRIVE DURING CONVERSION

Marxist critics of the United States have long contended that however burdensome, heavy arms spending is a necessary evil designed to prevent the collapse of U.S. capitalism. According to this view, were it not for booming defense industries and military forces to stimulate the economy and absorb our manpower, chronic depression would grip the Nation. Many Americans, including industrialists, labor leaders, and public officials tend to accept this assumption.

I believe this to be a false view of the American economy. It is my conviction that with proper planning by both private and public officials on community, State and Federal levels, our economy can expand and prosper while undergoing substantial shifts or reductions in our Defense Establishment.

I agree with the distinguished assistant leader of the majority, the Senator from Minnesota [Mr. HUMPHREY], who said in an address to the Senate more than a year ago:

> If we discuss the economic impact of disarmament on our economy, we shall reach the conclusion that not only is it possible to make such a conversion without serious dislocation, but it is possible to have a vastly improved economy, one in which economic expansion moves rapidly, and in which the production of goods and services increases for the common good.

In that spirit, I suggest the following propositions:

First. The United States clearly demonstrated at the end of World War II that we could move quickly and successfully from a wartime to a peacetime economy at a time when a much larger share of our total resources were devoted to armaments than is now the case.

Second. Our present level of military spending—far from strengthening the economy—is actually distorting and restricting the economy, weakening the competitive position of our civilian industries in both domestic and international trade, and seriously aggravating our balance-of-payments problem.

Third. While our overall economy can absorb shifts in production patterns with comparative ease, certain industries, communities and manpower groups would be seriously affected by sudden shifts or cutbacks in the military system. These special problems can be minimized with sufficient advance planning.

During World War II, U.S. defense expenditures claimed over 40 percent of our gross national product in contrast to 10 percent today. Within a year of the war's end in 1945 we had reduced defense spending by 80 percent. This reduction represented three times the present percentage of our national production devoted to defense expenditures. In the same 12-month postwar period, over 9 million servicemen were released from the Armed Forces—more than triple our present total military personnel. Yet, despite this rapid demobilization and reduction of defense spending, the economy boomed and unemployment remained below 4 percent.

The satisfactory transfer to a civilian economy after 1945 was made possible partly because of the pent-up demand for civilian goods and partly by our material assistance to European recovery. It was also greatly assisted by intelligent industry planning and government action, including tax reduction, veterans benefits, concessions to industry, and a policy of monetary ease. All of these tested devices could be readily employed again should major arms reduction become feasible.

ARMS SPENDING DISTORTS ECONOMY

Both the encouraging post-World War II experience and analysis of our present economic problems point to the conclusion that a planned transfer to civilian production can be a boon rather than a drag on our economy. Arms spending is not the unmixed economic blessing that some citizens believe it to be.

As William C. Foster, Director of the Arms Control and Disarmament Agency, has said:

> Defense spending of the type we now have has no intrinsic merit in terms of its ability to create production and income as compared to other forms of demand.

A costly nuclear warhead resting in the arsenal has little or no impact on the economy, whereas a similar investment in updated machine tools or classrooms or scholarships pays compound dividends.

Furthermore, arms spending is narrowly concentrated in a few giant corporations rather than being evenly spread across the Nation.

Most disturbing of all, we are presently starving a number of crucial sectors of American society to keep the military animal well fed.

In recent years we have been allocating approximately three-fourths of our precious scientific and engineering talent to military research and development. This, plus the concentration of capital in arms production, has lead to a painful decline in the modernization of our civilian industries. The United States, once the envy of the world in machine tool production has today slipped to fourth or fifth rank among the world's machine tool producing nations. Few Americans realize that the gleaming new civilian plants of West Germany, Japan, and Italy—the hapless Axis powers of 18 years ago—have left the United States with the distinction of operating the most outdated metalworking machinery of any major industrial country.

Many of our once top-rated civilian industries are losing their competitive edge both at home and abroad with serious consequences to our balance of payments and our economic growth. The balance-of-payments problems is further aggravated by the cost of maintaining large numbers of American troops in Germany and by our military aid operations in Vietnam, Korea, and Formosa.

Even more difficult to measure is the loss to society from the diversion of much of our best brainpower—especially potential teachers—to military research and development. The shortage of talented, dynamic teachers and professors takes a heavy toll in American classrooms.

Every American should ponder the words of former President Eisenhower:

> The Military Establishment, not productive of itself, necessarily must feed on the energy, productivity, and brainpower of the country, and if it takes too much, our total strength declines.

SPECIAL AREAS OF STRESS DURING ARMS REDUCTION

Having contended that the arms budget is a restricted and sometimes damaging method of bolstering the economy, I nevertheless believe that it is so intertwined with the economic life of some of our communities, industries and vocations that a military shift without advance planning would set off an understandable panic.

A significant factor in America's defense spending is its highly uneven distribution geographically and industrially. Areas such as southern California, Boston, Seattle, Wichita, and a number of our States including Hawaii, Alaska, Georgia, New Mexico, and Utah are heavily dependent on defense industries and installations.

In the aircraft industry over 93 percent of the employees are engaged in manufacturing warplanes; in the shipbuilding industry, 60 percent of the employees are involved in defense production, and in radio and communications equipment production the percentage is 38 percent. These areas and industries along with the technical personnel in related defense production will be hardest hit by arms reduction or shifts in production patterns.

REASONS FOR CONVERSION PLANNING

There are various reasons why we must take steps to free ourselves from the fear of economic dislocation stemming from changes in our defense forces.

First, our military security requires that our defense planners be permitted a considerable degree of flexibility in

weapons production and modification. As matters now stand, necessary changes or reductions in weapons systems or defense installations are often vigorously resisted by the affected communities and their political spokesmen. Such political and economic pressures which freeze unneeded plants or installations into the Defense Establishment weaken our overall strength.

The Morgan Guaranty Survey observes, in connection with the inertia or resistance to change in defense expenditure patterns:

> With about one-tenth of gross national product devoted to military purposes year after year, there has developed a reluctance, both public and private, toward cutting back so sizable a sector of economic activity. Thus, the very fact that makes it important to prepare for the possibility of a reduction in defense outlays—that is, the economy's heavy involvement in defense—could also make it more difficult to achieve reduction.

But, Mr. President, in the absence of alternative plans, who can blame a community, or a labor leader, or a Congressman, for vigorous opposition to the loss of a valuable payroll or dividend?

A second reason for planning conversion is that we have an obligation to protect our citizens in the Armed Forces and defense industries against an economic calamity. We need to replace uncertainty and anxiety with the assurance that conversion to civilian production can actually be a hopeful opportunity for the American people.

The Senator from Pennsylvania [Mr. CLARK] discussing the work of his Subcommittee on Employment and Manpower has said:

> Certainly, it is a matter of direct congressional and national concern to inquire whether practical alternatives exist for the employment of defense industries and their work forces outside the defense program for the fulfillment of other community and individual needs.
>
> We cannot possibly leave great defense industries and millions of their workers in so vulnerable a position that they constitute an independent obstacle to the achievement of a stable peace * * *.

OUR CIVILIAN NEEDS CAN ABSORB ARMS CUT

There is a wide range of American domestic needs which can easily absorb large public and private investment for new employment and economic growth. The Nation's needs for resources development projects, particularly involving water, and for construction of schools, hospitals, mental health facilities, urban transit systems, outdoor recreation facilities, and rural development would more than absorb any likely reductions in defense spending.

There are many untapped opportunities in the civilian sector to which our defense industries might convert their capacity. For example, the airframe industry has competence for producing lightweight, high-strength structures useful for prefabricated housing.

In the medical field there are dramatic uses for electronic devices to which part of our defense capacity could be diverted. Also, traffic signals in our cities could be controlled by computers to improve the control and flow of traffic.

Countless other examples could be cited and there are scores of ideas yet to be formulated for converting war production to civilian uses.

Scores of small communities have developed at the side of defense installations. We will have to make an imaginative effort to conserve the human and the capital resources of these satellite towns. For example, many bases include extensive facilities that could be converted into vocational schools and junior college use. The instructional staffs of some training bases are readily convertible into the teaching staffs of technical institutes. Indeed, such use of military training sites and personnel would help us to overcome at the junior college level the national shortage of technicians. This, in turn, can prove to be a major contribution to the technological renewal of many of our industries.

We should anticipate the possibility that a type and degree of specialization highly specific to military functions has developed in various occupations. Some electronics and missile engineers may thus discover that as specialists in aspects of missile guidance, there is no nearby civilian technology for which they are suited. For such men, there will be problems for retraining. This can be an opportunity for them and for our country. We all know that we must upgrade the function of educating our youth. Many of our defense industry experts could be attracted to the teaching profession with proper financial and professional incentives.

What is needed is a coordinated effort between private industry and government to smooth the transition. The bill which I have proposed will help to meet that need.

Its combination of required industry conversion planning and State and Federal supporting activity will help generate the confidence and direction needed for conversion capability.

With such a design, we will begin to relieve the concern which many feel, lest conversion from war production be the occasion of unreasonable hardship for Americans. In turn, the development of competence for conversion will make possible more realistic appraisals of defense spending, for then decisions on the termination of contracts or the closing of installations to meet legitimate efficiency and security requirements need not be blunted by concern for economic dislocation. This is bound to improve both the short- and long-term design and administration of our security policies. It will also add new force to disarmament discussions by removing fear of the economic consequences.

These proposed steps can help give our people a solid basis for confidence in their own and our Nation's future. With other related efforts, they can demonstrate that the best path to American prosperity and economic growth lies not in a constantly expanding arms race but in carefully gaged steps toward peace.

GROWING INTEREST IN ECONOMIC CONVERSION

Mr. President, I want to clarify my purpose in introducing legislation at this time.

This is not a newly recognized issue, arising out of the apparent thaw in East-West relationships. The problem was recognized in the report on the Economic and Social Consequences of Disarmament made by the U.S. Arms Control and Disarmament Agency in March of 1962.

It was recognized by our very able colleague the Senator from Michigan [Mr. HART], in 1962, when he proposed a Senate Select Committee on the Economic Impact of National Defense, which was to study procurement policies and take into consideration the effect that termination or modification of procurement contracts would have on the economy.

It was recognized by the New York Times financial and business editors some weeks ago when they made a survey of conversion planning by our 25 major corporations which handle 50.8 percent of all defense work. They reported on August 16, 1963, that very little planning for conversion has been done by industry and that "many defense contractors simply refuse to consider a sizeable cutback in arms production as any kind of a possibility in the foreseeable future."

It was recognized by the Senate Foreign Relations Subcommittee on Disarmament in the study so ably reported to us by the Senator from Minnesota [Mr. HUMPHREY] on October 5 last year, to which I have referred. The Minnesota Senator has established himself nationally and internationally as a leader in the field of disarmament and especially its related economic impact.

We have been approaching the problem of conversion with increasing frequency and interest. We have some rather broad ideas about how it may be undertaken.

It seems to the cosponsors of the proposed National Economic Conversion Act, which I have introduced, that it is time to launch more specific planning for possible reductions or changes in our military programs. We urgently need a blueprint, in the language of the bill, "of the appropriate policies and programs to be carried out by the departments and agencies of the Federal Government * * * which study shall include possible schedules of public and private investment patterns resulting from various degrees of economic conversion."

Also, it is time to stimulate and assist private industry and State and local communities in undertaking the planning job, as provided in the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the bill, the Morgan Guaranty Survey article on conversion problems, and the New York Times article of August 16, entitled "Defense Industry Lacks Plans for Civilian Production," and other editorials and articles in support of the proposal.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, editorials and articles will be printed in the RECORD.

The bill (S. 2274) to establish a National Economic Conversion Commission, and for other purposes, introduced by Mr. MCGOVERN (for himself and other Senators), was received, read twice by its title, referred to the Committee on

Commerce, 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 this Act may be cited as the "National Economic Conversion Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress finds and declares that in the last decade the cold war has required the United States to make a heavy military and economic commitment for defense; that it is the policy of the United States to maintain a fully adequate national defense and to regulate expenditures for such defense in accordance with changing requirements of American security; that economic ability to adjust to changing security needs is in the interest of the general welfare of the United States; that preparation for a consequent transition to a civilian economy is necessary; and that such an economic conversion presents a great challenge and opportunity to the American people.

It is the purpose of this Act to provide the means by which the United States can prepare for the challenge and opportunity of such an economic conversion.

ESTABLISHMENT OF THE COMMISSION

SEC. 3. (a) There is hereby established, in the Executive Office of the President, the National Economic Conversion Commission (hereafter referred to as the "Commission"), which shall be composed of—

(1) The Secretary of Defense;

(2) The Secretary of Agriculture;

(3) The Secretary of Commerce, who shall be chairman of the Commission;

(4) The Secretary of Labor;

(5) The Secretary of Interior;

(6) The Chairman of the Atomic Energy Commission;

(7) The Director of the United States Arms Control and Disarmament Agency;

(8) The Chairman of the Council of Economic Advisers; and

(9) The Administrator of the National Aeronautics and Space Administration.

(b) The Secretary of Commerce shall preside over meetings of the Commission; except that in his unavoidable absence he may designate a member of the Commission to preside in his place.

(c) The Commission shall have a staff to be headed by an executive secretary who shall be appointed by the President, and who shall receive compensation at the rate of $ —— a year.

DUTIES OF THE COMMISSION

SEC. 4. It shall be the duty of the Commission to—

(1) institute a study, a report of which shall be submitted to the President and to the Congress within one year after the enactment of this Act, of the appropriate policies and programs to be carried out by the departments and agencies of the Federal Government for economic conversion capability, which study shall include possible schedules of public and private investment patterns resulting from various degrees of economic conversion, and the anticipated effects upon income and employment of such patterns;

(2) convene a National Conference on Industrial Conversion and Growth, within one year after the enactment of this Act, to consider the problems arising from a conversion to a civilian economy, and to encourage appropriate planning and programing by all sectors of the economy to facilitate the Nation's economic conversion capability;

(3) consult with the Governors of the States to encourage appropriate studies and conferences at the State, local, and regional level, in support of a coordinated effort to improve the Nation's economic conversion capability;

(4) promulgate regulations for the appropriate departments and agencies of the Federal Government, which shall specify the character and duties of the Industrial Conversion Committees established pursuant to section 5 of this Act;

(5) make such recommendations to the President and to the Congress as will further the purposes of this Act.

INDUSTRIAL CONVERSION COMMITTEES

SEC. 5. (a) Under such regulations as the Commission shall prescribe, each defense contract or grant hereafter entered into by the Department of Defense or any military department thereof, or by the Atomic Energy Commission, shall contain provisions effective to require the contractor to set up an Industrial Conversion Committee which shall be charged with planning for conversion to civilian work arising from possible curtailment or termination of such contract or grant.

(b) As used in this section, the term "defense contract or grant" means any contract or grant—

(1) Which involves—

(A) the research, development, production, maintenance, or storage of any weapons systems, arms, armament, ammunition, implements of war, missiles, machinery, tools, clothing, food, fuel, or any articles or supplies, or parts or ingredients of any articles or supplies; or

(B) the construction, reconstruction, repair, or installation of a building, plant, structure, or facility; which the Secretary of Defense or his designee, or the Chairman of the Atomic Energy Commission or his designee, certifies to be necessary to the national defense;

(2) which requires that the number of employees engaged in work under such defense contract or grant, together with employees engaged in work under any other such contract or grant, exceeds twenty-five per centum of the total number of employees of the contractor awarded such contract or grant; and

(3) which requires at least one year to complete.

POWERS OF THE COMMISSION

SEC. 6. (a) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable in accordance with the provisions of the civil service laws and the Classification Act of 1949, as amended. The Commission may also procure, without regard to the civil-service laws and the classification laws, temporary and intermittent services to the same extent as authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810; 5 U.S.C. 55a), but at rates not to exceed $50 per diem for individuals.

(b) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment or instrumentality, information, suggestions, estimates, and statistics for the purpose of this Act, and each such department, bureau, agency, board, commission, office, independent establishment or instrumentality, is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission upon request made by the Chairman.

SEC. 7. Such sums as may be necessary to carry out the provisions of this Act are hereby authorized to be appropriated.

The articles and editorials presented by Mr. MCGOVERN are as follows:

[From the New York Times, Aug. 16, 1963]

DEFENSE INDUSTRY LACKS PLANS FOR CIVILIAN PRODUCTION—MANY BIG CONCERNS REGARD ARMS BAN AS UNFORSEEABLE

What is the Nation's defense industry, the largest single sector of the economy, doing to cope with the impact of possible arms control or disarmament?

Very little.

Many defense contractors simply refuse to consider a sizable cutback in arms production as any kind of possibility in the foreseeable future.

Some, who have given thought to the problem, say a sharp reduction in defense spending would deal them a severe if not a crippling blow, but they have no idea at present of how to plan for such a development.

A few companies are confident they would be able to make a smooth transition to civilian business.

SPECULATION ON CUTBACK

Fewer still report that they have actually done some long-range planning in this area.

That is the gist of a survey made by the New York Times of the 25 biggest prime defense contractors. Together, the contractors account for 50.8 percent of all defense work.

Although President Kennedy specifically ruled out a cutback in defense spending as a result of the agreement on a partial ban on nuclear testing, that agreement has produced rising speculation about the possibility of an East-West détente. Few observers believe that any kind of real disarmament is imminent, but many argue that the time has come for American industry at least to make preparations for a possible slackening in the arms race.

Within the Government and Congress the problem of economic adjustment to arms control is slowly emerging as a matter of serious concern. The defense industry itself, however, apparently has yet to make a serious effort to smooth what could be a painful transition.

It is now generally agreed that—in the long run—the economy of the United States could be successfully adapted to any kind of arms control, including general and complete disarmament. That was the conclusion of a report prepared for the Arms Control and Disarmament Agency by a panel headed by Prof. Emile Benoit of Columbia University.

The key words in any discussion of disarmament and the economy are in the long run. When it comes to the short run, confident assertions about the resiliency of the U.S. economy often give way to cries of sheer panic.

The reasons for such consternation are not hard to locate. They can, in effect, be pinpointed geographically in those regions that have become centers of defense activity.

It has been estimated that one out of every three jobs in southern California is directly tied to defense expenditures. In the San Diego area for example, 82 percent of all manufacturing jobs were in the missile and aircraft industries when a check was made there in 1959.

The leading defense contractors farm out much of their work to one another and to smaller concerns. In effect, then, they sit atop a huge pyramid, the dimensions of which have never been definitively measured. In order to convey an impression of the size of this pyramid, one official in the Defense Department pointed out that subcontracts for the B-70 had been scattered through every State.

In 1960 it was estimated that 30.2 percent of all manufacturing jobs in Kansas were in defense; in the State of Washington, the figure was 28.6 percent. At the same time in Virginia, the Department of Defense payroll accounted for 10.2 percent of all personal income.

According to one estimate, more than 2,500,000 civilians were directly employed in the defense industries in 1960. It is a fair assumption that if all military contracts

were suddenly terminated, the rate of unemployment, in July 5.6 percent of the labor force, would more than double overnight.

Such statistics can be embroidered and extended almost endlessly. But it is obvious that disarmament cannot occur overnight. Instead, it has become a cliché to say that careful advance planning by the Government, by industry and by labor would help to avert the nightmare the statistics seem to portend.

Recently the calls for such planning have become more widespread and insistent.

On August 2, Senator GEORGE MCGOVERN, Democrat, of South Dakota, called for a reshaping of perspectives on both defense planning and spending. He noted that the $53,600 million requested for the Department of Defense in the current fiscal year represented well over half of the entire Federal budget. The United States, he asserted, already possesses an enormous "over-kill" capacity.

CUT IS PROPOSED

Senator MCGOVERN proposed a slash of $5 billion in the budgets of the Armed Forces and the Atomic Energy Commission. Acknowledging that such a cut could produce "painful economic dislocation," he outlined a plan to prepare the economy for conversion from military to civilian production. The plan had two main facets:

All Government contractors with 25 percent or more of their personnel engaged in defense work shall as a condition of contract be required to establish an "operating conversion committee" to prepare for a possible loss of their military orders.

The President shall establish an "economic conversion committee" under the Secretary of Commerce to outline the role of Government agencies in facilitating a switchover to a civilian economy.

Interviewed by telephone last week, the Senator said he was planning to embody these proposals in a bill to be introduced when the defense budget comes up for final debate in Congress.

Even as Senator MCGOVERN made his speech, a number of tentative starts in the same direction had already been made in Washington. If it is too early to speak of a developing consensus on the way to approach the problem of industrial conversion, it is not too early to speak of a developing sense that a consensus is needed.

STUDY GROUP IS SMALL

The fledgling Arms Control and Disarmament Agency has already established a so-called economic bureau to study the problems of conversion and provoke serious thought on them. But this bureau, as it now stands, has a staff of just nine men, only four of whom are specialists. It would like to do a study on the likely regional impacts of disarmament, but it has neither the manpower nor the money needed for the job.

For the last 4 months, the head of this bureau has been Archibald S. Alexander, who, during the Truman administration, was an Undersecretary of the Army.

Important as it may seem, industrial conversion is, according to Mr. Alexander, but one aspect of an even larger problem of how to speed the economic growth rate, end high unemployment and put the Nation's full industrial capacity to work.

"All of these things," he remarked, "are part of the same ball of wax."

That view was echoed over at the Pentagon by Adam Yarmolinsky, a special assistant to Secretary of Defense Robert S. McNamara. "This is a problem we're quite familiar with," Mr. Yarmolinsky declared. "Whenever there's a major shift in defense procurement, there is in effect a little bit of disarmament."

Washington officials also point out that defense contractors are not really growth industries, that the work they do is almost incredibly specialized and that, as a result it is best restricted to the huge corporations that have developed the special capabilities required.

PRODUCTION IS LIMITED

More and more, these corporations—especially those in the aerospace field—do not do anything like mass production work. Rather they are, according to one corporation planner, "custom engineering consultants." As their work grows more specialized, it requires fewer blue-collar workers and more highly trained technicians. One result is that the growing defense budgets do not necessarily create more jobs. Moreover, the contracts tend to become fewer but larger in dollar volume.

Sudden shifts in military procurement patterns can turn a boomtown into a depressed area. The Pentagon is already attempting to persuade communities and corporations that have lost big contracts to get out of the defense field—now, not when and if an arms control treaty is signed.

To facilitate the process of adjustment, the Defense Department has established an office to assist the communities and corporations that have lost out. The work this office does every day is a smaller scale version of what would have to be done in the event of full-scale arms control.

Its head, Robert F. Steadman, is a confirmed believer in the proposition that the communities can save themselves by establishing new industries. He points out that a company, its stockholders and its management personnel, can often make the adjustment by closing a factory in one State and opening a new one in another. Obviously, such a corporate move does nothing to ease a community's adjustment.

But communities do adjust. Wichita, Kans., lost 18,000 jobs in the airframe industry in recent years. Nevertheless, Wichita's rate of unemployment is, according to Mr. Steadman, significantly below the national level. The answer was new industry and diversification.

While the areas that have lost out have been forced to adjust, those that have been most succesful in winning contracts are beginning to worry. The California Assembly this year appropriated money for a study by its Ways and Means Committee on the impact of defense spending in southern California. The committee's mandate specifically mentioned the possibility of a cutback in the event of arms control.

FEDERAL PLAN URGED

If previous studies along this line are any indication, one result is likely to be a plea for action from Washington. That, at least, is what happened when the southern California associates of the Committee for Economic Development, a group sponsored by business leaders, made such a study in 1961. It urged the Federal Government to prepare "a flexible and comprehensive program to be activated when important reductions in national security expenditures become possible."

What is emerging is a kind of chicken-and-egg argument: Who plans first, Government or industry? In fact, the argument is really three-cornered, for the labor unions believe that both Government and industry have so far failed to meet their responsibilities.

The United Auto Workers proposed 2 years ago that defense contracts carry grants for conversion studies by the contractors.

A GOVERNMENT INDUSTRY

"It is," said Nat Weinberg, the union's director of special projects, "an urgent problem from an immediate as well as a long-range point of view. This industry has gotten used to operating on a pipeline to Fort Knox. They talk about private enterprise, but it's really a Government industry operating for private profit."

To get the three viewpoints together, a small study group was established in June under the aegis of the Defense Industries Advisory Council. The non-Government members of the group come from the major industrial associations and the American Federation of Labor and Congress of Industrial Organizations.

A parallel group, one that involved some of the same people, was called together on the last Sunday in June by the staff of a Senate Labor Subcommittee. The subcommittee, headed by Senator JOSEPH CLARK, Democrat, of Pennsylvania, is making a wide-ranging study of the whole area of manpower and unemployment.

HEARINGS ARE SET

It expects to conduct hearings in November on the defense industries and the question of industrial conversion. These hearings, members of the subcommittee believe, will form a necessary and fitting code to its study.

Last fall, Senator HUBERT HUMPHREY, Democrat, of Minnesota, reported to the Senate on a study made by his Senate Foreign Relations Subcommittee on Disarmament. Looking ahead to the prospect of arms control, the Senator declared: "We need to start planning now in conjunction with the 2 dozens or so key defense companies which account for the major share of defense procurement, research, and development."

That was last fall. But do these "key defense companies" think they "need to start now"?

The 25 largest defense contractors

Company	Fiscal 1962 (millions)	Percent of total
1. Lockheed Aircraft Corp.	$1,419.5	5.6
2. General Dynamics Corp.	1,196.6	4.7
3. Boeing Co.	1,132.8	4.4
4. North American Aviation	1,032.5	4.0
5. General Electric Co.	975.9	3.8
6. Martin Marietta Corp.	802.7	3.1
7. United Aircraft Corp.	662.7	2.6
8. American Telephone	467.7	1.8
9. Sperry-Rand Corp.	465.6	1.8
10. General Motors Corp.	449.0	1.8
11. Raytheon Co.	406.6	1.6
12. General Tire & Rubber Co.	366.1	1.4
13. Douglas Aircraft Co.	365.6	1.4
14. Radio Corp. of America	339.6	1.3
15. Republic Aviation	332.8	1.3
16. Avco Corp.	323.3	1.3
17. McDonnell Aircraft	310.9	1.2
18. Grumman Aircraft	303.6	1.2
19. Bendix Corp.	285.9	1.1
20. Ford Motor Co.	269.1	1.1
21. Westinghouse Electric	246.0	1.0
22. International Telephone	243.6	1.0
23. Hughes Aircraft Co.	234.2	.9
24. American Machine & Foundry	187.3	.7
25. Newport News Shipbuilding	185.0	.7
Total	12,994.6	50.9

In general, the 25 top prime defense contractors feel no sense of urgency about arms control and its corollary of at least partial conversion to civilian production. Asked if they were doing any planning in this area, many of the companies reacted with surprise and even shock, as if they were ice cream vendors being asked what they would do if children were abolished.

Several of the companies refused even to accept the possibility of arms control as a current working hypothesis. After ruminating the question for 2 days, the General Dynamics Corp., the Nation's second largest defense contractor, replied, "We do not expect any abrupt change. We will have nothing to say on this subject for at least the next 6 months."

Two other companies would not discuss the problem. One was the International Telephone & Telegraph Co., which stated in response to a query, "We do not want to be connected with this in any way."

A DEFINITE PLAN

The other was the Newport News Shipbuilding & Dry Dock Co., the No. 25 contractor, which did say it had a definite plan of action. It added: "With 19,000 employees, however, the company has the largest payroll in Virginia and probably in the entire South, and does not wish to make any comment regarding its plans because of the possible effect it might have on the economy of the Virginia community in which it operates."

The subject of arms control was obviously a delicate matter for some companies. The Grumman Aircraft Engineering Corp. said it had prepared a statement on its plans. Three days later, a company spokesman said the statement could not be released because Grumman's president, E. Clinton Towl, was out of town, beyond the reach of a telephone. The spokesman explained that no one but Mr. Towl could speak for Grumman on arms control.

There is another group of companies among the major contractors that concedes that arms control is a distinct possibility but that assumes an almost Olympian detachment from the problem. This group is composed chiefly of corporate giants such as the General Motors Corp., American Telephone & Telegraph, the Ford Motor Co., and the Radio Corp. of America, whose defense contracts are a relatively minor segment of their total business, although still involving very large sums of money.

READY FOR CONVERSION

"General Motors does what is needed in any situation," said a spokesman for the world's largest industrial enterprise and 10th largest American defense contractor. "We are always ready to convert to whatever the Government thinks is necessary."

Among the companies surveyed, the largest group consists of those which have seriously considered planning for conversion to nonmilitary production, but which have rejected the whole idea because they believe it is not practicable, would be premature, or is unnecessary for the needs of their company.

Robert Shirar, acting director of planning for the Lockheed Aircraft Corp., asserted that his company "has done quite a lot of thinking about arms control," but has not "pursued the subject to the extreme of conversion studies."

Mr. Shirar said that Lockheed, the No. 1 defense contractor, with orders totaling $1,419,500,000 in fiscal 1962, was constantly thinking about the danger of having all its eggs in one basket. "But we just haven't believed strongly enough that arms reduction is a coming thing."

In the first half of this year, 91 percent of Lockheed's business was with the Government and 85 percent of that Government business was military. Commercial work accounted for only 3 percent of the company's revenue.

WIDESPREAD VIEW

A rather widely held point of view was expressed by George Trimble, vice president, advanced planning, of the Martin Division of the Martin-Marietta Corp.

"We've looked at conversion [to commercial production] but we don't know how to do it. We really are a large research organization rather than a production company. We have to have some sort of complex project to attack."

Several of the prime contractors, including the Boeing Co., have not specifically planned for industrial conversion but as a matter of general policy have sought diversification into nonmilitary fields.

Boeing, which had 95 percent of its business in military work a few years ago, now has a $770 million backlog of orders for its commercial aircraft, compared with $374 million for military aircraft and $338 million for missiles and space programs.

HUGHES AIRCRAFT'S POLICY

Stahl W. Edmunds, director of marketing research for the Hughes Aircraft Co., explained that his company "maintains a continuous evaluation of shifts in Government and civilian demand as part of an effort to aline its research and development programs with the national interest."

On the other hand, Mundy I. Peale, president of the Republic Aviation Corp., declared in a speech earlier this year that his company was against illogical "diversifying for diversification's sake." The company would diversify, he said, "only when such a move can pay its way either now or in the foreseeable future."

The economy of Long Island experiences periodic upheavals whenever Republic wins, loses, or completes a major contract. Recently, Grumman has had a similar impact on the area's economic health.

Finally, there are five major contractors that stated that they already have planned—to some degree—for conversion to civilian production in the event of reduced Government spending on arms. These are the Bendix Corp., the Douglas Aircraft Corp., the Aerojet Division of the General Tire & Rubber Co., the American Machine & Foundry Co., and the Raytheon Co.

BENDIX HAS PLANS

Bendix has had a group planning for conversion for the last 3 years, according to A. P. Fontane, executive vice president. The company, which now devotes 70 percent of its production to military products, is engaged in an acquisition program to increase its stake in nonmilitary programs, Mr. Fontane said.

The arms control problem is placed in a somewhat different context by Douglas, which sees it as only one of the many long-range problems it faces. One of these is the fear that defense work will move out of southern California, where the corporation is located.

A. J. Quackenbush, director of corporate planning and control, explained that Douglas' current 10-year plan anticipates that defense spending will remain near present levels.

However, he said, Douglas also has prepared two alternate contingency plans. One is based on the assumption that cold war tensions will increase and that arms spending will rise. The other postulates that a detente will produce an arms control accord with concomitant reduced spending by the Department of Defense.

A major contract, such as Douglas' contract on the late and sometimes lamented Skybolt, ties up a company's resources. Until the Pentagon blows the whistle on the contract, the company must work on, even after it anticipates the loss. Only when the loss does occur can the company act on its contingency and diversification plans.

For that reason, the plans are kept under constant review. But, for the same reason and no matter how good the plans, the pain of the loss is in direct proportion to its size. Thus Douglas was thrown off balance by the loss of the Skybolt, even though it was not caught off its guard.

The plan for lower defense spending calls for diversification into the consumer market, but does not specify particular products.

ASSUMPTIONS ON SPENDING

Virtually all of the contractors that acknowledged that arms control lay within the realm of the possible also made two assumptions about Government spending if it did happen. One was that arms control would not signal an end to Government spending on a massive scale, but rather a shift from strategic to tactical weapons systems. The other was that any reduction in defense spending would be matched by spending on massive civilian projects.

These two assumptions provide the foundation for the advanced planning of some contractors.

Thomas Philips, executive vice president of Raytheon, declared that "our general feeling is that even in an arms control situation, arms will still be ordered. The first curtailment will be in strategic nuclear weapons. Because our work is chiefly in tactical systems such as the Sparrow and Hawk [defensive] missiles, we would be able to make the conversion successfully in any shift of emphasis from strategic weapons."

DETECTION SYSTEM CONTRACTS

Raytheon, the Sperry Gyroscope Division of Sperry Rand, and several other companies noted that they already had received contracts for research and development on inspection systems to police an arms control agreement. One official said that Government spending on these systems alone could result in an increase in defense orders for his company.

One economist has estimated that inspection systems would necessitate an annual Government expenditure of around $12 billion. However, Defense Department officials scoff at so large an estimate. They said that any system developed would not strive for perfect control, but would aim at preventing cheating at an optimal cost.

Although Government expenditure in other areas is tacitly accepted by the contractors as the escape hatch in an arms control system, many of them complain that they cannot program this spending in their advanced planning because they have no idea of just what the Government will do.

"The big problem," said Mr. Quackenbush of Douglas, "is to find out what areas the Government would shift their spending to. Some attempt to specify policies which would go along with disarmament would be extremely helpful to industry. Otherwise the transition would be very difficult."

BETTER DIRECTION AWAITED

A spokesman for North American Aviation, Inc., put it even more bluntly: "We're not going off to start a lot of studies with the remote hope that maybe one of them will hit the mark. We're waiting for a little better direction."

Government officials, however, believe that it is up to the companies to plot their own adjustments. According to Arthur Barber, the Deputy Assistant Secretary of Defense for Arms Control, "Some of them are going to have no alternatives. There are already more contractors than are needed.

"We would like to see them get into commercial production with a minimum of sweat. It is a management challenge."

Just what would be the impact of disarmament on the major defense companies? Here, again, there is a broad range of opinion. At one end of the spectrum are the Rock of Gibraltar organizations such as Ford, which commented that "arms control would be no special problem with us. We would just put our workers on something else."

HIS ONLY CUSTOMER

At the other end was the official of the company with close to 90 percent of its business in defense work who commented with grim humor that "if the Government stops buying weapons we will go out of business just like anybody who loses his only customer."

Generally, however, the contractors feel that although the transition would be a difficult one, it could be made.

A spokesman for the United Aircraft Corporation declared that potentially great markets existed for its commercial aircraft and engines, and if the transition were gradual, these markets could be developed without the company's losing strength.

The Avco Corporation commented that although much of its work was in defense, no one project accounted for more than 5

percent of its volume and therefore the company would not be subject to violent shifts. Other companies with diversified product mixes, such as American Machine and Foundry, also expressed confidence in their ability to weather changes wrought by arms control or disarmament.

Most of the respondents said that they were always seeking commercial applications for their military research if for no other reason than to make greater profits. Defense contracts produce very low returns on investment.

Yet even with this incentive, many companies, particularly the aerospace companies, have been unable to make any real headway into the commercial market.

The contractors often defer conversion efforts because they do not know where to turn. "We have no idea of how to market a commercial product," a planning official of a major aerospace company declared.

His counterpart in another company ruefully recounted the efforts it had made to diversify by taking on commercial or public works projects. These efforts got nowhere. "We really don't have products," he concluded. "We have a scientific capacity. It's like asking how do you convert chemistry."

Seymour Melman, a professor of industrial engineering and management at Columbia University and a crusader for conversion planning, declared that this scientific capacity developed by defense contractors amounted to "a trained incapacity for operating in the commercial market."

Professor Melman scoffed at the idea that defense contractors would be able to compete for public works contracts without extensive and arduous retraining and reorganization.

"They would have to deal with many customers," he said. "They simply don't know how. Not every State and city has a department of defense to tell them what to do."

But Mr. Barber of the Defense Department said he was sure the adjustment could be made. "Our brainpower has been working in outer space, but it can be brought back," he declared. "Really good brainpower can adjust."

A REASSURING NOTE

His colleague at the Pentagon, Mr. Yarmolinsky, also sounded a reassuring note. He said fears about what arms control might do to the economy reminded him of the story of the man on a sinking ship who refused to get into a lifeboat because he was afraid of starving on a desert island.

"We are much more worried," he said, "about the problem of getting an effective arms control agreement."

The notion that the American economy depends on armaments has been generally disowned. Mr. Yarmolinsky, for instance, dismissed it as "a simplistic economic analysis." But virtually no one predicts that the sophisticated defense industries of today will be able to make the transition to civilian production as easily as their ancestors did after World War II. The reason given on all sides is the lack of planning.

A recent economic study put the problem succinctly:

"Swords," it noted wryly, "do not serve readily as plowshares."

FEDERAL HELP TERMED A MUST IN SWORDS-TO PLOWSHARES SHIFT

Government help will be needed if industry is to convert successfully to a lower level of defense production, the Morgan Guaranty Trust Co. of New York said in its monthly survey published today.

The bank added, however:

"The governmental role in adjustment to any gradual phasing down of defense expenditures ought to be one of lubricating the friction points rather than stoking the engine."

The bank suggested emergency aids similar to those designed for rehabilitation of depressed areas or for the relief of individuals and companies hurt by tariff cuts. More important than rescue measures, it said, were such things as allowances to defense manufacturers for research to spur their conversion to nonmilitary production.

Morgan Guaranty said this was especially needed because low profit margins made it difficult for many defense producers to divert their own resources to this kind of profit insurance.

The bank said encouragement of such research was attractive for two reasons, to give "the kind of lift and excitement that will be needed to perk up demand" and to reorient research toward nonmilitary wants.

"If stockpiling of scientists is in fact being practiced widely as some critics have charged, it may be one of the major wastes in the defense and space efforts," it added.

Morgan Guaranty said today's defense industry differed from that which came out of past wars. Then, it said, the work of war was done by a civilian industry hastily converted to military production.

"A large part of the present apparatus, by contrast, came into existence for the sole purpose of producing defense goods or services; it has no prior history of civilian output. The problem ahead of it is not reconversion, but conversion, a much more difficult adjustment."

But, the bank added, even the Soviet Government has asserted that such a problem would pose no difficulty to the United States. It concluded:

"What a pity it would be if faint-faithed capitalists were to pick up a tired old line that the Communists appear to have dropped."

[From the Morgan Guaranty Survey, August 1963]

IF CUTS COME IN DEFENSE SPENDING

Besides stirring cautious hope of a thaw in the cold war, the agreement to limit nuclear weapons testing has prompted fresh surmise about the economic effects that would ensue if a reduction were to occur in the U.S. defense spending. The first of the two reactions may be premature, but the second is almost certainly overdue. Well before the Moscow accord, a number of developments were suggesting the possibility of a break in the pattern of steadily increasing outlays for national security. Even clearer have been signs that the composition of defense expenditure is likely to shift. Either event—reduction or restructuring—would impose economic adjustments on individuals, companies, and communities. The prospect, therefore, ought to be receiving consideration in the private sector of the economy, where adjustment would chiefly fall. Thus far, it appears to have been rather broadly neglected.

The developments that suggest the possibility of a change include: Certain implications that flow from the basic strategy of U.S. defense; the high level that the nation's supply of nuclear weapons already has reached; signs (including the partial ban on tests) of a new basis for international negotiation; and intimations of a changing mood in Congress.

The picture, admittedly, could be changed overnight by any of a host of conceivable happenings, many of which are outside this country's control. There is still no ground for assuming a change in the Communist aim of world domination. Subject to such qualification, however, it seems more reasonable now than at any previous time in the cold war to begin looking for a turn in the long road of higher and higher military costs.

Directions already taken in the composition of the defense budget are signaling virtually assured shifts in the makeup of future outlays. They also hint at a possible lowering of costs—at least in relation to total economic output and perhaps even in absolute amount. This despite the fact that the administration is asking for authority to commit in fiscal 1964 the highest amount devoted to national security in any peacetime year—a total of $56.7 billion for all defense purposes, including military aid, civil defense, and parts of the space and atomic energy programs.

EASING UP ON SRF

Within the total, there is a significant decline in the funds requested for "strategic retaliatory forces," the category that includes development and procurement of such high-cost items as Titan, Minuteman, and Polaris missiles, nuclear submarines, and long-range bombers. These are components of the U.S. retaliatory capacity, intended to deter any potential attacker by letting him know he would be destroyed by the counterpunch.

At $7.3 billion, the SRF request for fiscal 1964 is $1.2 billion less than the estimated appropriation for the same category in fiscal 1963, and $1.8 billion less than was actually committed for fiscal 1962. The tapering off suggests that the building of a massive nuclear strikeback force—a program which, in its present phase, began about 1958—has reached a level where further buildup can safely proceed at a more modest pace. This would mean that the cost peak of SRF has been passed. If it has, the effect on expenditures could be considerable. The buying of strategic weapons and delivery vehicles for stock, as distinguished from research and development outlays, is currently running in the vicinity of $4 billion per year. Research and development costs for strategic retaliatory forces have already started downhill, being programed at about $1 billion for fiscal 1964, compared with $1.6 billion the year before.

Defense Secretary McNamara told Congress last winter that development costs for long-range missiles, which were very high during the period of breakthrough into the present technology, are likely to diminish after fiscal 1964 and that development expenses for new generations of missiles are expected to be lower than those for the present systems. He also expressed the belief that the United States is in a position where we can now afford to move more carefully in the initiation of new major weapon system developments.

THE OVERKILL ARGUMENT

Related to discussion of the adequacy of nuclear deterrence is the controversial concept of overkill—a term used to denote nuclear capacity more than sufficient to wipe out a given enemy in a single strike. A number of analysts hold that the United States and the Soviet Union have reached a mutual status of overkill, many times over. The grim mathematics of their computations involves rather broad assumptions as to the accuracy and effectiveness of weapons that have never been used, and many experts dispute the overkill thesis or discount its significance. Secretary McNamara disavows the concept as customarily presented. But he did tell Congress in discussing the current budget proposal:

"Given the force we have today, I believe that that force can survive a Soviet attack with sufficient power to destroy the Soviet Union. I mean that in any normal sense of the word 'destroy.' It can be destroyed as a civilized nation of the 20th century, by destroying its industrial capacity, by destroying a high percentage of the population, and by destroying its military power."

An appraisal of the Soviet striking force prepared by the Institute for Strategic Studies—an unofficial analytical group based in England and supported by the Ford Foun-

dation—indicates far more than enough capacity to knock out all U.S. cities of more than 100,000 population.

Without conceding validity to the overkill theory, it is possible to conceive of a saturation of deterrence for all practical purposes. A nation feeling it had reached that point might well decide that further stockpiling of present types of strategic nuclear weapons and delivery vehicles would not yield enough military advantage to be worth the cost. Such a conclusion may account in part for the sudden Soviet willingness to accept the longstanding U.S. initiative toward a limitation on nuclear testing.

In the United States, the Atomic Energy Commission has confirmed within recent weeks that it plans a substantial reduction in the output of fissionable materials for use in weapons. And Secretary McNamara said earlier this year: "In adding to a defense budget as large as the one we now have, we begin to encounter the law of diminishing returns, where each additional increment of resources applied produces a smaller increment of overall defense capability." Outlining the Defense Department's plans for weapons acquisition through 1968, he told a congressional committee: "Further increases in the large forces already programed would provide only marginal increases in capabilities in relation to their additional cost."

ON THE OTHER HAND

Mutual deterrence on the nuclear level does not insure a reduction in defense spending. Any number of developments could thwart such a trend. Serious new eruptions of international trouble would almost certainly involve heavier outlays. A return of inflation in the U.S. economy would increase the dollar cost of defense. In addition, there are a number of possible policy decisions that could soak up any savings that might be effected by curtailing or even stopping the purchase of strategic hardware of existing types.

For example, such savings could be negated by greatly increased expenditures for the development and procurement of an antimissile system. Dr. Harold Brown, Director of Defense Research and Engineering in the Department of Defense, has said: "The contest probably most significant in current research and development efforts with potential to alter the strategic equation is the contest between our antiballistic missile capability and the penetration aid capacity of the enemy." If a significant breakthrough in antimissilery should occur, it would almost certainly touch off a massive and expensive procurement program.

It might also mean greatly increased outlays for fallout shelters if the nature of the antimissile device were such that many of the knockouts of enemy weapons would be likely to occur over U.S. soil at altitudes where large doses of radioactivity would be dumped on the ground. Yet another possibility involving heavy spending is that vast civil-defense programs might be adopted in lieu of an antimissile system.

For the present, the modest reductions that have been made or scheduled in the cost of the strategic retaliatory forces have been more than offset by increases in the amounts allotted to general purpose forces, the men and machines of conventional war. Greater emphasis on equipping and maintaining this kind of force could continue for a while to offset savings that may be realized in development and procurement of strategic weapons. Short of actual engagement, however, it is unlikely that the buildup of ordinary combat units will be on such a scale as would continue indefinitely to involve annual cost increases.

A CRIMP FROM CHINA

Eventual attainment of some degree of nuclear capability by Communist China could put a crimp in prospects for reducing total U.S. defense costs. The then-achieved or soon-to-be-reached level of U.S. deterrent power might be judged adequate to cover both China and Russia, so that presently programed manufacture of strategic weapons would not need to be increased on that specific account. The psychological impact of even a crude nuclear explosion by Red China, however, could lead to increases in U.S. military aid to non-Communist countries in the Far East for morale purposes.

It is commonly—if debatably—assumed now that the Chinese Communists will not receive help from Russia in their efforts to become a nuclear power. Without such help, the development of an actual nuclear potential—including delivery systems—seems a long way off for Red China. A showoff test detonation, however, might be managed in the relatively near future. Whether it is or not, the consistently belligerent posture of Peiping creates an additional major focus to which the U.S. defense effort must be addressed—and this affects defense costs.

No major direct effect on U.S. military spending can be expected from the agreement reached by this country, Great Britain, and the Soviet Union to limit nuclear testing. For the longer run, the contract drawn at Moscow—and the somewhat easier international atmosphere that helped prepare the way for it—could strengthen the chance of reaching agreements later on to limit production of certain kinds of weapon systems. If ratification of the Moscow compact comes without serious difficulty, the impetus to try for some kind of start toward arms limitation could be considerable.

Meanwhile, hope for future relief from the economic drain of defense spending must be shaded by the prospect of rising Federal outlays for space programs. Only a part of the total space expenditure comes within the defense budget (for fiscal 1964, $1.7 billion of a space total of $7.4 billion), but in their effect on the economy the two are very much alike. Present estimates of the cost of meeting the "commitment" to land a man on the moon by the end of this decade range all the way from $20 to $40 billion.

A CHANGE IN CONGRESS

The initial frenzy of the space race has calmed somewhat, however, as the military significance of the effort has been put in perspective and even its assumed scientific value has been deflated by an increasing chorus of professional doubt. In Congress, a new skepticism about crash programs in space is evident. The House Committee on Science and Astronautics has cut $470 million from the $5.7 billion requested by President Kennedy for the National Aeronautics and Space Administration for fiscal 1964. This is the first time since the space age began that a congressional unit has asserted itself with a sizable reduction in the spending authorization requested for space.

Other recent expressions of the congressional mood lend support to the view that the established trend of rising defense expenditures may possibly be halted and even reversed. The House, authorizing funds for the major items in the 1964 defense budget, cut nearly $2 billion from the $49 billion requested by the Administration. Some Members of Congress wanted to cut as much as $3 billion.

Representative MAHON, chairman of the Subcommittee on Department of Defense Appropriations of the House Committee on Appropriations, took note last winter of a growing economy-mindedness among some of his colleagues. He said they were asking him: "Where can we cut this defense budget? We have got to make a reduction in defense spending and at the same time not impair our military strength."

But, he also noted, there is a counterforce to this sentiment, both in Congress and in the Nation at large. "These urges to reduce the defense budget," he predicted, "will be matched equally, if not excelled, by more determined urging to increase the defense budget." In the same context, Secretary McNamara stated: "My problem has been to prevent appropriations exceeding those which we have recommended. There have been tremendous pressures, for example, to appropriate funds for programs that I do not believe add to our national security."

The substantial sentiment favoring bigger defense spending reflects in part a sincerely held conviction that a nation, once embarked on a course of preparedness, should keep going as far and as fast as its resources will possibly allow. It also reflects, however, the existence of a built-in obstacle to reductions in defense outlays; namely, the extent to which the U.S. economy has become a defense economy. With about one-tenth of gross national product devoted to military purposes year after year, there has developed an element of reluctance, both public and private, toward cutting back so sizable a sector of economic activity. Thus the very fact that makes it important to prepare for the possibility of a reduction in defense outlays—that is, the economy's heavy involvement in defense—could also make it more difficult to achieve reduction.

This paradox was hinted at in the troubled comment with which President Eisenhower departed the White House in 1961. The man who had held both the highest military and the highest civilian office in the United States remarked that there was no precedent in American history for the existing "conjunction of an immense military establishment and a large arms industry." He cautioned: "We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications."

President Eisenhower's expressed concern was principally over the potential for the disastrous rise of misplaced power, a danger against which he urged constant vigilance on the part of all citizens. Less dramatic, but no less real, is the new potential for economic distortion and disturbance that has been created by the growth of military preparedness into a vast and continuing public enterprise. Decisions made in the Pentagon—and often based, quite properly, on considerations totally unrelated to the marketplace—can have deep effect on the future of companies and of whole communities. A subtle change in strategic approach, a shift of emphasis from one kind of missile to another, a phasing out of procurement of a given item because a better one is coming along—any of these can confront the affected firms and individuals with sudden and substantial readjustment.

MISSING THE POINT

Shakeups of these kinds have occurred often enough to make industry aware that there are uncertainties in producing for defense. There appears to be considerably less focus of attention on the uncertainty from another source: the possibility that spending for defense may begin one of these years to decline significantly instead of continuing its pattern of perennial increase. A Senate subcommittee recently queried a sampling of defense contractors on what they are doing to get ready for possible cuts in Federal arms outlays. Only about one in six reported it has conducted any kind of study as to how it would respond to the loss of business presumably involved in a defense cutback.

With the intention of stimulating more active consideration of readjustment problems, the Defense Department recently formed a subgroup within the Defense Advisory Council to examine "the economic aspect of possible arms control arrangements." Members include Department officials, representatives of defense industry associations, and a labor-union official.

Notwithstanding the prods from Washington, it is difficult for many defense producers to feel a sense of urgency about preparing for a possible slowdown in the pace of military business.

Their reaction merely mirrors that of a whole society conditioned to the steady escalation of defense needs. Cold war by its nature carries the implication of going on indefinitely. Arms cutbacks, to most people, still mean only the massive, idealistic kind of disarmament that is a remote dream in today's world of tension.

Accordingly, the real challenge of working out of the armaments bind is largely ignored. A few theoreticians tinker with models of an economy in which defense expenditures have been cut by half or more, but very little serious consideration is given to the problems of living with a gradual, modest stepdown of the total.

These are the problems of small economic units—areas, companies, individuals—rather than of the economy as a whole. Arguing about how to divide a $20 billion defense budget saving among debt retirement, tax reduction, and increased public works is an interesting exercise for an academic seminar. Hopefully it will some day have practical application. The realistic, near-at-hand questions raised by the new outlook for defense spending, however, are more likely to be found in the communities where defense-based companies are clustered or military installations form the economic core.

Concentration in certain industries and certain regions is an inevitable characteristic of defense activity. A government report reflecting the situation in 1960 showed that 94 percent of all employment in the aircraft and parts industry was attributable to defense contracts, 61 percent in shipbuilding and repairing, 38 percent in electric components and accessories. In ordnance and directly related fields, of course, all jobs were dependent on defense.

In seven States and the District of Columbia, 10 percent or more of personal income was from the payrolls of defense agencies (both military and civilian personnel) or defense-related industries. The ratios ranged from 29 percent in Alaska to 10 percent in California, with Hawaii, Virginia, Washington, Maryland, District of Columbia, and New Mexico coming between. Some local communities, of course, showed considerably higher ratios.

GETTING READY

How can areas vulnerable to defense cutbacks prepare to offset possible future shrinkage in military contracts? Those that already have some diversification will be in better shape to make the adjustment than all-out defense towns. The latter probably still have time to try to attract a leavening of civilian enterprises and encourage steps toward conversion by present companies, but the effort ought not be delayed much longer.

People, as well as companies, will have to convert. A generation of specialized professionals exists whose training has been mainly defense directed and whose whole work experience has been in that field. Even for those with a predefense background, reentry into a vastly changed civilian technology will present problems of adjustment. Defense workers at all levels of skill and specialization, if their jobs dry up, face a probable need to retrain, possibly to relocate. Adjustment is primarily a matter of individual initiative, which the prudent presumably are already exercising by laying preparatory plans. But many will need help.

Depending on the severity of the circumstances, financial aid probably will be required from Federal or State governments, perhaps both. Since the problem is essentially a product of national policies dictated by the needs of security, Government must be expected to assist in the solution.

The assistance should be temporary and should aim at helping individuals, companies, and communities integrate as soon as possible into the ongoing private economy. If dependence on defense spending is merely replaced by long-range dependence on some other Government program, the overall economy will lose the opportunity for increased thrust that could come from transfer of a portion of activity out of the public sector into the private. The governmental role in adjustment to any gradual phasing down of defense expenditures ought to be one of lubricating the friction points rather than stoking the engine.

Such a role might include emergency aids similar to those designed for rehabilitation of depressed areas or for relief of individuals and companies adversely affected by tariff reductions—relocation allowances, payment during retraining, improved placement services, credit assistance. Even before rescue measures are necessary, however, there are more imaginative steps the Government could be taking that should lessen the need for palliatives later on.

If, for instance, a modest allowance were granted to defense contractors for research aimed at conversion to nonmilitary activity, many companies could greatly improve their chance of making the transition successfully—and of taking their employees with them.

Without some provision of this type, many defense companies—especially the smaller ones and those entirely or almost entirely engaged in military work—cannot afford to divert resources to "disarmament insurance." Profit margins are generally low in the fiercely competitive defense industry, with its one buyer and multitude of sellers, Secretary McNamara has said:

"The average profit as a percent of sales on defense work, for example, is something on the order of 3 percent-plus. This is far too low a rate in relation to the investment required to draw to this defense business the most efficient resources in terms of human abilities and equipment."

Encouragement of research looking to conversion is an especially attractive idea for two reasons: first, the development of new products is a prime source of the kind of lift and excitement that will be needed to perk up demand in one sector of the economy if demand is being withdrawn from another; second, research geared to the civilian economy has suffered heavily in recent years from the preemptive requirements of defense and space. Scientists have been recruited away from both commercial and academic activity—in far greater numbers, it is often alleged, than can be efficiently employed. If "stockpiling" of scientists is in fact being practiced as widely as some critics have charged, it may be one of the major wastes in the defense and space efforts. An important part of getting ready for a possible curtailment of defense activity is the reorientation toward nonmilitary wants and needs of a part of the Nation's great new research capability.

WITH A DIFFERENCE

It is only partly relevant to the present situation to recall the ease with which the U.S. economy, after major wars, has adjusted to cuts in military spending many times more massive than anything that can be reasonably contemplated in this decade. One important distinction is that those adjustments came after shooting wars. Shortages of civilian goods, pent-up demand, and the liquid aftermath of inflationary war financing smoothed the transition. None of those factors exists now; in fact, there is the converse circumstance of an uncomfortably high level of unemployment.

Today's defense industry, moreover, is different in nature from that which came out of past wars. In those cases the work of war was done by a civilian industry hastily converted to military production. A large part of the present apparatus, by contrast, came into existence for the sole purpose of producing defense goods or services; it has no prior history of civilian output. The problem ahead of it is not reconversion but conversion, a much more difficult adjustment. It means breaking into an unfamiliar kind of market, meeting a new kind of competition, grasping drastically different managerial concepts. The complexity of the challenge accents the desirability of starting to plan early.

Despite the important differences in setting, the successful adjustments after World Wars I and II and Korea do have a bearing on the prospects for accommodating a decline in cold war arms budgets. They prove that military spending is replaceable without shrinkage of the total economy, and therefore that it has no unique magic as a stimulant to or sustainer of economic growth. The problems of effecting the replacement may be harder in the current context, requiring earlier and greater deliberate efforts on the part of all groups concerned, but the basic lesson of the past is still valid.

That lesson should be answer enough for any who might be inclined to resist cuts in defense spending on the ground that the economy can't afford it. For a long time it was a standard Communist deprecation of capitalist economies to allege that they needed the fuel of armaments activity to keep going. That theme has changed. The Russian Government, replying in 1961 to questions of a United Nations group studying disarmament, asserted—not surprisingly—that changing over from military to nonmilitary production would present no economic problems for socialist countries. Then, in a remarkable revision of party dogma, it added: "Nor are there any insurmountable economic obstacles to disarmament for the capitalist countries, including the United States."

What a pity it would be if faint-faithed capitalists were to pick up a tired old line that the Communists appear to have dropped.

[From the Washington Post, Sept. 19, 1963]

FORWARD PLANNING

Senator GEORGE MCGOVERN, of South Dakota, is to be commended for taking the initiative in proposing that plans be made now for cushioning the economic impacts of large-scale reductions in defense expenditures.

Federal outlays for defense are currently running at an annual rate of nearly $55 billion, and it would be both naive and irresponsible to assume that the economy will automatically adjust to cutbacks in expenditures which could ultimately amount to nearly 10 percent of the current gross national product. Rapid reductions that are not accompanied by offsetting tax cuts would surely depress the level of economic activity.

Senator MCGOVERN's bill, which will be introduced after the confirmation of the test ban treaty, contains two important provisions. It would establish a National Economic Conversion Commission in the Commerce Department, charged with investigating the various economic impacts of disarmament. At the same time it would seek the cooperation of the business community by requiring that firms establish forward planning staffs at Government expense whenever they receive contracts which absorb more than 25 percent of their labor force.

Forward planning by Government and industry offers the best hope of avoiding the economic dislocations that would inevitably follow a detente between the Communist and non-Communist blocs. We hope that Senator MCGOVERN's bill will be widely supported when it reaches the floor of the Senate.

[From the Washington Post, Oct. 28, 1963]

THE PROBLEM OF TAPERING DEFENSE OUTLAYS

(By Harvey H. Segal)

Roswell L. Gilpatric, the Deputy Secretary of Defense recently raised some disquieting questions about the neglected relationship between defense spending and the health of the economy.

Since 1957 national defense expenditures have increased by more than 25 percent, from $44 billion to the current level of over $55 billion. As a result of this rapid expansion, which was sparked by the advent of the intercontinental ballistics missile, the ratio of defense expenditures to the GNP was maintained at 10 percent over the 5-year period ending in 1962.

And while there were negative impacts in the shape of balance-of-payments pressures and rapid shifts in the location of manufacturing activities, this latest bulge in defense outlays made an important net contribution to economic stability and growth.

But the success of Operation Big Lift, the progress of the Polaris missile programs and recent suggestions that stocks of fissionable materials are more than ample all point to leveling off in defense outlays. In surveying the prospects for the future, Gilpatric concluded that: "It is unlikely that sharp increases of the sort programed in the early years of this Administration will be needed in the years immediately ahead. In terms of the GNP percentage, there should be some decline in the application of U.S. resources devoted to purely military preparedness."

Whether one assumes that defense expenditures will remain constant at their present high level or decline absolutely, there is little doubt that the boost which they gave to overall economic activity will be dissipated in the near future. More resources in either case will become available for use in the private and local government sectors of the economy.

But the question of how these resources are to be realized is one which has yet to be squarely faced by any agency of the vast Federal establishment.

Some work on the impact problems of reconverting industries which are closely tied to the defense effort has been carried on by the inadequately financed Arms Control and Disarmament Agency, and there are projects which the Department of Defense has farmed out to private research agencies. None of these studies, however, can fill the needs of a well-planned program for the effective transfer of a portion of the vast defense-industry potential to the civilian sectors of the economy.

Last June Representative WILLIAM FITTS RYAN, of New York, asked Charles J. Hitch, the Assistant Secretary of Defense, what steps had been taken toward blueprinting the conversion of firms from military to civilian production. Hitch replied that "the major responsibility in a free economy such as ours must fall on the individual companies affected * * *. What Government can do is study the problem * * * develop the data necessary for private planning, and make these data available to private industry." Gilpatric's remarks echoed similar sentiments.

Thus far such information has not been made available, and a spokesman for any important defense industry organization complains further that Defense Department officials, anxious to maintain their sources of supply intact, are discouraging firms from seeking orders for civilian products. Charges of this sort are difficult to evaluate, but the fact that they are being made suggests that the problem of shifting resources from the military to the civilian sector is one that can best be handled outside of the Department of Defense.

The problem of effectively transferring resources from the military to the civilian sectors of the economy is not one that can be solved by making information available or hoping that reductions in defense outlays will be matched by tax cuts. What is involved here is the transfers of new and powerful technological developments which are not very well suited to small-scale projects.

For example, the electronics industry with very little effort could design superior automobile traffic control systems in which the information on density and flows at various points would be fed into a computer that would automatically adjust the timing of semaphore lights. But that involves large outlays by municipalities. Much the same can be said for the systems analysis approach to problems solving which can be fruitfully applied in the area of mass transportation.

The difficulty is not that intelligent persons in Government agencies have failed to consider these problems; rather the failure to draft serious plans for their solution. Senator GEORGE MCGOVERN, of South Dakota, is about to introduce a bill which would establish a National Economic Conversion Commission. This agency, lodged in the Department of Commerce, would seek to encourage planning by business firms whose Government contracts absorb more than 25 percent of their labor force.

The virtue of a Conversion Commission is that it would assign to a single agency the responsibility for forward planning. Until that—and much more is accomplished—the problem of tapering off defense expenditures is one which will continue to menace economic stability.

[From the Wall Street Journal, Sept. 17, 1963]

TEST BAN TANGENT—CASE FOR TREATY STIRS TALK TO REDUCE DEFENSE OUTLAYS

(By Jerry Landauer)

WASHINGTON.—The Kennedy administration's strong sales pitch for the nuclear test ban treaty is having an unintended effect in Congress: It is fueling the belief, still feeble but gaining, that defense spending can soon be reduced with safety.

To overwhelm Senate resistance to the treaty, administration spokesmen proclaim America's manifestly superior military strength and they vow to increase it in the years ahead. Even after absorbing a surprise first blow, they assert, the United States unquestionably can annihilate an aggressor.

All this has been said before, though perhaps not so categorically. What is new is the Defense Department's specific comparisons of United States and Soviet might. The idea is to convince the public and Congress that the United States is so far ahead in nuclear weaponry that it can prudently relinquish the legal right to test nuclear devices in the atmosphere, in space and underwater. As this conviction grows, receptivity to reducing defense outlays grows with it.

THEORY OF OVERKILL

To Members of Congress who want to save defense dollars or divert them to domestic welfare programs, Defense Secretary McNamara's assurance of growing U.S. superiority in arms dovetails with the newly current theory of overkill—the proposition that the United States, if provoked, already has the firepower to destroy Russia many times over.

Chairman RUSSELL, Democrat, of Georgia, of the Senate Armed Services Committee, thinks believers in overkill are gaining adherents in Congress and in the country. When the $49 billion Defense Department budget reaches the Senate floor late this week or early next, Mr. RUSSELL expects a flanking operation intended to slash perhaps $6 billion from defense appropriations.

Spending cuts of the magnitude mentioned by Mr. RUSSELL are inconceivable so long as he and other Members of Congress' own defense establishment, senior members of the Armed Services and Appropriations Committees, continue backing the Pentagon. It's noteworthy, nevertheless, that for the first time Congress is seriously questioning in a coherent way the assumptions underlying defense spending.

This year, for the first time also, Congress has stopped pressing on an unwilling Defense Department more money for such programs as the RS-70 supersonic bomber.

INITIAL IMPACT

Though the test ban treaty may well fortify the budget cutters in the long run, the immediate impact surely will expand rather than shrink defense spending. To overcome uncertainties about the blast resistance of U.S. missile sites (that might be resolved in part by atmospheric testing), sites may be more widely dispersed and more may be dug. Stepped-up underground testing (the Atomic Energy Commission budget assumed fewer tests this year) and more elaborate preparations to detect and diagnose Soviet tests in prohibited environments certainly will add to costs, too.

Other factors, too, help assure upward pressure on arms outlays. The military pay bill alone will require $300 million more next year. The new TFX fighter-bomber will be costly. So will additional missiles already planned. And the Pentagon has been pumping much of its increased spending into conventional forces, a buildup not challenged by the overkill ardents. Nevertheless, the current congressional mood makes it clear that assuming no real change in the international situation, Mr. McNamara in the future will find it increasingly difficult to ward off attacks by budget cutters.

For the time being, the Defense Secretary is treading a careful path. Warning against euphoria, Mr. McNamara argues that it's much too early to think about reversing the upward spiral of defense spending, though he agrees that a leveling-off point lies ahead.

Sheer numbers of city-busting atomic and hydrogen bombs are not strictly relevant, of course, to the nuclear test ban treaty. As military spokesmen are quick to note, it is more relevant to consider nuclear knowledge, the yield-to-weight ratio of warheads, and the data gleaned from earlier testing about the effect of nuclear blasts on missile sites, on defensive communications, on incoming warheads.

But laymen in Congress know little about these esoteric matters. Far more impressive to them is the number and variety of weapons in stock. According to Mr. McNamara, the U.S. stockpile includes tens of thousands of nuclear weapons. There are more than 500 ready-to-fire Titan, Atlas, Minuteman, and Polaris missiles, he says, and in 3 years the missile inventory will grow to more than 1,700. By contrast, the Soviet arsenal contains a mere fraction of the U.S. total.

Among those most impressed by this comparison is freshman Senator MCGOVERN, Democrat, of South Dakota, who launched the budget debate last month in a speech that has become among the most widely read documents in official Washington.

Senator MCGOVERN suggested that the U.S. nuclear inventory exceeds any conceivable need. He thinks it's senseless to keep adding to the inventory because (1) as Mr. McNamara himself contends, the United States already has sufficient striking power to annihilate Russia even after absorbing a sneak first strike; and (2) because piling up more nuclear firepower won't contribute substantially to security.

Needlessly high military spending, Mr. MCGOVERN argues, distorts the economy, squanders research talent and money, and endangers American leadership by robbing industry of its ability to compete successfully in world trade. He has drafted an amendment to shear some $4 billion from the pending Defense Department budget.

Probably a dozen Senators, chiefly liberal Democrats, will vote with him if he decides

that the Chamber's temper is ripe for a rollcall. Mr. McGOVERN knows he can't win. He's more interested in generating a lively debate about military expenditures and probably in readying a more determined budget-combing campaign next year.

The Senate tradition against voting in opposition to the Appropriations Committee's recommendations works against the budget cutters. Deputy Democratic Leader HUMPHREY, of Minnesota, and Chairman FULBRIGHT, Democrat, of Arkansas, of the Foreign Relations Committee are inclined to agree that Senator McGOVERN is right. But these two influential leaders are practically bound to support committee decisions.

Overkill and its implications are being debated within administration councils, too. A joint report by the Defense Department and the Atomic Energy Commission projecting long-range requirements for nuclear warheads is due to reach the President's desk shortly. AEC Chairman Seaborg won't predict the report's recommendations but he does point to a "growing realization" that perhaps too much fissionable material for warheads has been acquired.

In part, the restiveness in Congress can be traced to the zealous lobbying for the overkill thesis by Seymour Melman, professor of industrial engineering at Columbia University. He and six other academicians are being financed in part by a New York businessman, who wishes to remain anonymous. Mr. Melman has received respectful hearings in some 40 congressional offices.

Working from data compiled by the Institute for Strategic Studies in London, Mr. Melman says the United States has sufficient nuclear power packed in 3,400 delivery vehicles to destroy 500 times all 370 industrial centers and cities containing more than 100,000 people in Russia and China.

If just 10 percent of the American bomber fleet got through, and if only 25 percent of the Polaris and Minuteman missiles hit target, he calculates the United States still could devastate an enemy with 440 delivery vehicles packing 2,310 million tons of TNT. This is more than 200 times enough to destroy Communist society, and it doesn't take into account the destructive power of fighter-aircraft, short-range missiles, torpedoes, mines and tactical nuclear warheads.

In Mr. Melman's view the progressive hardening of Soviet missile sites and the emplacement of missiles aboard submarines relegates Mr. McNamara's counterforce strategy to the scrap heap.

Counterforce means responding to a Soviet first strike with a counterblow against Soviet military targets to blunt a second attacking salvo. But Mr. McNamara himself acknowledges that a U.S. counterstrike can't destroy any very large portion of fully hardened Soviet sites, Mr. Melman notes. And because the Soviets are inferior to the United States in offensive capability, they would in logic fire most of their missiles in a first strike; to invoke counterforce would mean striking at empty holes in the ground.

THE DEPARTMENT'S REBUTTAL

At bottom, the Defense Department's rejoinder to the theory of surplus destruction rests on the assumption that the United States can launch its missiles faster than the Soviets can. Contrary to Mr. Melman's exercise in logic, Pentagon strategists assert, Moscow can't get off its full striking power in a single salvo.

Defense strategists think a second fundamental fallacy of the overkill theory is its assumption that most of the weapons being added to the inventory represent additions of firepower. In fact, they say, most of the acquisitions merely replace poorly protected, vulnerable weapons, i.e., Minutemans for B-47's.

If nothing else, the overkill debate, accentuated by the administration's test ban rationale, is crystallizing the hitherto vague belief on Capitol Hill that Congress often in the past has merely rubberstamped the Defense budget. This seems less likely in the future.

[From the Wall Street Journal, Aug. 9, 1963]

SCIENTIFIC SHORTAGE—SPACE, MILITARY WORK CUTTING INTO RESEARCH FOR CIVILIAN ECONOMY—INDUSTRY BLAMES GOVERNMENT CONTRACTORS FOR BIDDING UP WAGES, PIRATING PERSONNEL—WILL MASHED POTATOES SUFFER?

(By Robert L. Bartley)

"How did we ever get suckered into sinking so much of our national prestige on getting a man to the moon?"

A quote, no doubt, from an economy-minded Senator or a military man anxious to divert funds to other projects? No such thing. The gripe comes from Donald Collier, research vice president of Borg-Warner Corp. And like many other executives, Mr. Collier worries that the moon race creates "a real danger of stagnating the economy."

Top research men in industry reason this way: Frantic bidding, by space and military contractors, for scientists and engineers is creating a big shortage for industry. This scarcity, along with the skyrocketing salaries it is provoking, is bringing almost to a halt the hitherto rapid growth of company-supported research. This development hampers efforts to develop new products and processes for the civilian economy.

And it's not just the moon race they question. In general, they wonder about the wisdom of the Nation's continually increasing concentration of research effort on Government-sponsored projects.

PERSONNEL LIMITS EXPANSION

Samuel Lebner, vice president of Du Pont Co. puts it this way: "Government research programs serve as a brake on research in the private sector." Even if corporations had unlimited money to spend, they could not find the personnel to expand research indefinitely, Mr. Lebner says.

Some Congressmen also are expressing concern with increasing Government-financed research and development. Representative HOWARD W. SMITH, chairman of the House Rules Committee, disclosed last month that his panel was considering an investigation encompassing all Federal agencies which finance research and development in an attempt to clarify their overall activity and its effects.

Company spending on private research and development at last count in 1961 came to $4.5 billion, a scant 1 percent above the previous year, according to the National Science Foundation. This increase far from offset a rise in research salary costs in excess of 5 percent and fell far short of the earlier 10-percent-a-year average gain in spending, the Foundation reports. Many major companies declare that after allowing for cost increases their non-Government research continues to show little growth.

Meanwhile, Government-supported research under contract with private industry had expanded to $6.4 billion by 1961, nearly four times what it was in 1954. Space research by industry and the Government itself will run over $4 billion in the current fiscal year, dwarfing the $204 million outlay of the fiscal year ended June 30, 1959.

RISE IN GOVERNMENT-PAID RESEARCH

The space program alone could gobble up nearly all of the 30,000 new professional workers expected to enter research this year if Commerce Department calculations are correct. Personnel working on Government research contracts rose 317 percent to 190,000 between 1954 and 1961, while industry increased its private research payrolls only 30 percent to 130,000.

While the need for technical manpower is expanding the growth in supply is slowing. The demand for new engineers alone now runs close to 60,000 a year but only about 33,700 will be graduated this year, down from as many as 38,134 in 1959. While accurate figures are not available, the situation appears to be nearly as acute in the physical sciences such as chemistry and physics.

Not surprisingly, many companies report they are falling far short of their goals in their recruiting drives.

Xerox Corp., which is trying to expand its research and development in line with booming sales of its office copiers, fell short of its 1962 goal by about one-third and so far this year is lagging about the same amount. Du Pont says it probably will get only 75 to 80 percent of the 1,100 new technical graduates it is seeking this year. Adds the research manager of a major oil producer: "Like most companies we haven't met our goals. The growth rate in our department has been up and down with the availability of technical personnel and right now it's down."

HOLDING STAFF IS COSTLY

Many companies also are faced with the problem of holding present staffs against recruiting for Government projects. "A major space contractor put a lab right next to one of ours in Los Angeles and hired away 20 percent of our staff at a 15-percent premium," complains Borg-Warner's Mr. Collier.

Space research often can attract top personnel because of the "exotic nature of the problem," asserts Roland Lex, director of development for Leeds & Northrup Co., Philadelphia instrument and controls producer. Adds Justin Neuhoff, manager of engineering for General Electric Corp.'s switchgear division, "All of these people in school want to go into the missile business."

There's solid evidence that the shortage of scientific talent is slowing private research. Minneapolis Honeywell Regulator Co. says unfilled openings for technical specialists have forced delay of its study of the nature of flame, which it considers vital to its basic heat control business. According to Mr. Lebner of Du Pont, in recent months 3 of the company's 12 industrial departments have said "they can't push as rapidly as they're being urged because they don't have the people." Joseph C. Wilson, president of Xerox, says lack of personnel last year meant "we didn't get to start some projects we wanted to."

Not all companies attribute slower growth in research and development directly to unfilled jobs. Many say big expansions can't be justified at this time by the profit possibilities from research. Part of this concern over profit potential reflects rising research costs, stemming primarily from the bidding up of salaries.

The National Science Foundation reports the median salary for scientists in research and development was $10,000 last year, up $1,000 just since 1960. The Engineering Manpower Commission says starting salaries for engineers in research and development rose 34 percent between 1956 and 1962, to a median of over $6,800.

GOVERNMENT CONTRACTORS BLAMED

Corporate executives are quick to blame Government contractors for big salary boosts. They say Government contractors can justify higher salaries because their projects frequently are of a rush nature and because research cost increases often are covered in the Government contract rather than deducted from profits.

With growth in private research and development lagging, officials in both Government and industry are worried about the possible effects on the general economy. The Commerce Department estimates that one-third of the Nation's past economic gains can be attributed to technological improvements. It adds, however, that space and military research merely diverts talent from the type of effort which creates the new

products and improved productivity that fosters growth.

President Kennedy himself has mentioned this diversion as a "price" the Nation pays for the space program. But space officials contend that in the long run, their program will benefit the economy through development of civilian products which normally would not evolve without space research.

FRUITFUL FOR CONSUMERS

Some industrialists agree. The space program will create products "we wouldn't have had for years if we'd gone along taking the lumps out of mashed potatoes and making better root beer," declares James M. Gavin, a retired general who is president of Arthur D. Little, Inc., Boston research consultant. In any event, General Gavin adds, space exploration is needed to satisfy man's curiosity and to compete with Russia, and the important thing is to "force-feed" space research back into the consumer economy.

Robert Solo, who studied the problem for the National Planning Association, reports in the Harvard Business Review, however, that "spinoff" benefits are about as likely to make up for lost civilian research as consumer-oriented efforts would be to spin off moon rockets. William Meckling, an economist for Franklin Institute's Center for Naval Analysis, writes in the Bulletin of the Atomic Scientists that "it seems unlikely" that spinoff benefits will "repay the investment or even a very large part of it."

While some research executives view the space program as the chief culprit, others complain about other Government agencies as well. Some contend that projects in the Defense Department, the biggest spender for research and development, are even less likely to help the consumer economy.

Some drug manufacturers criticize the concentration of research funds with the National Institutes of Health, which has requested $930 million in research funds for next fiscal year, compared with only $71 million in fiscal 1954. While NIH research is directed at civilian needs, executives say its dominance may lead to neglect of useful ideas which would be developed by more diversified research support. Comments Harry M. Weaver, research vice president of Schering Corp.: "I think it's dangerous to get the direction of research into too few hands even if they are well intentioned."

[From the Washington Post, Sept. 29, 1963]

CALL FOR DEFENSE BUDGET CUT SNAGGED IN SENATE

(By Chalmers M. Roberts)

A little drama in the Senate the other day paid off for its originators but to read the script literally would be very misleading.

The day that the Senate, after 67½ hours of debate spread over 12 days, finally ratified the nuclear test ban treaty, it took 5 hours to approve a $43.3 billion defense budget for the current fiscal year.

It was not the difference of time spent on debate, however, but the timing of the two votes which was important. The Pentagon money bill was called up almost immediately following the test ban vote.

IMPOSSIBLE POSITION

The effect was to put the would-be defense budget cutters in an impossible position: they had to argue for what their opponents called unilateral disarmament just after approving a treaty backed by solemn pledges all around not to succumb to "euphoria" by letting down the American military guard.

The result was a crushing 74-to-2 rollcall vote against a token cut proposed by Senator GEORGE MCGOVERN, the South Dakota Democrat who has been complaining of the Pentagon's nuclear overkill capacity. If the announced positions of absentees is added, plus a guess or two, the vote would have been even more lopsided, perhaps 95 to 5.

But the maneuver by which the two measures were put in such effective Senate floor juxtaposition only conceals a fear by some powerful Senate defense backers that on another day, and in another circumstance, as many as 30 Senators quite probably would vote for some token cut in defense spending.

IRONY OF SITUATION

The real irony, however, of the Senate maneuver to prevent any show of support for that budget cut is that the military budget is at long last about to begin leveling off. And to double the irony, this is happening for reasons which have nothing at all to do with the test-ban treaty itself and little to do with the current temperatures in East-West relations.

Indeed, there are some qualms in important administration quarters that such a leveling off, which should begin to show in the fiscal year 1965 budget (to be sent to Congress next January), will bring cries that the administration is succumbing to the very "euphoria" against which it warned so loudly during the test ban hearings. And that could occur in a presidential election year with the prospective Kennedy opponent an Air Force Reserve major general, Senator BARRY GOLDWATER.

GAITHER REPORT RECALLED

Here, one should go back a few years to the winter of 1957–58. In that December the Washington Post disclosed that the as yet still unpublished Gaither report called for a defense boost of about $8 billion by 1960 or 1961. The total then was around $39 billion.

Then in January the Rockefeller Bros. Fund panel on military security publicly advocated successive additions of about $3 billion a year to the Pentagon budget for "the next several fiscal years."

Both of these reports came at a time of mounting talk about an American defense lag, in part what soon was to be called the "missile gap."

In retrospect, though the gap turned out to be unreal, the defense budget rose just about the way the Rockefeller panel suggested. The panel, incidentally, included a number of distinguished Americans who subsequently served the Kennedy administration, including Deputy Defense Secretary Roswell Gilpatric.

This massive spending increase has bolstered the services' manpower and conventional firepower for so-called conventional wars and it has produced or soon will produce a most massive array of nuclear missiles.

MANPOWER BOLSTERED

During the test ban hearings Defense Secretary Robert S. McNamara testified that the United States has tens of thousands of nuclear warheads and that by 1970 the current more than 500 missiles will grow to over 1,700.

This is about as far, in numbers, as the Pentagon is likely to go in missile building. Of course it will take money, lots of it, to maintain and keep modern such weapons but no further massive spending for new hardened sites or more new major missiles is now in sight beyond paying for what is in the works.

Manpower, too, is likely to decline because one major Pentagon goal, increased airlift, is now beginning to be achieved. The forthcoming airlift of an entire divison from the United States to West Germany is the first of several exercises around the world to test this new ability to move men fast.

COULD MEAN A CUT

If it proves out, then manpower overseas can be safely reduced. This does not mean, of course, that the boys are all coming home from either Germany or Korea but some cuts will be possible. And the gold drain will thereby be cut.

Another factor in the prospective budget leveling off is the McNamara study of the future of the Navy's carrier task forces. The outcome of this study is not yet evident but hints suggest that McNamara expects to save money here on the grounds that the carrier's role has so altered that fewer are needed now than in the past.

Related to the Pentagon budget but not part of it are Atomic Energy Commission expenditures. Here there is a strong likelihood that something around $1 billion will be cut out of weapons costs in the next 3 to 5 years. Fissionable materials are simply being produced in excess of any conceivable use in the years ahead. Furthermore, projections of possible peacetime uses, such as for electric power production, come nowhere near taking up the decline in military needs.

In another related field, space, the civilian National Aeronautics and Space Administration already is facing budget cuts in Congress. This was so even before President Kennedy proposed a joint Soviet-American man-to-the-moon project.

A major NASA budget cut quite possibly would bring closer NASA-Pentagon cooperation. Indeed, there are signs of this already, now that the Air Force has been given a go-ahead to start studying a military space station.

All of these Pentagon moves to level off defense spending are, of course, related to the general pressure on the administration to hold down the total Federal budget, especially when pressing for a massive tax cut. They are related, too, to efforts to halt the gold drain.

But they are not, in themselves, related to the cries by those such as Senator MCGOVERN about "overkill" nor to any who may be suffering sufficiently from euphoria to believe the test-ban treaty is reason enough in itself to cut back on defense.

The way things are going now, defense spending will level off. But it is only a coincidence in timing as far as the attacks on such spending.

Yet in time the leveling-off process quite probably will bring new cries for even further cuts and less "overkill" capacity.

[From the Washington Post, Sept. 11, 1963]

PENTAGON WEIGHS CUT IN A-ARMS PROCUREMENT

(By Howard Simons)

The Defense Department is making "detailed studies" of its nuclear stockpile to see whether a cutback in production is or soon will be warranted.

The move has no direct relationship to the nuclear test ban treaty now before the Senate. But word of the Defense Department study came in response to a question put by Senator STUART SYMINGTON, Democrat, of Missouri, during treaty hearings last month before the Foreign Relations Committee. A reply to SYMINGTON by Defense Secretary Robert S. McNamara was inserted in the recently published transcript of the hearings.

SYMINGTON's question was prompted by Senator GEORGE MCGOVERN, Democrat, of South Dakota, who said in a speech on August 2 that the Pentagon has built up and continues to build a vast overkill capacity in nuclear weapons.

STATEMENT DENIED

McNamara denied this in his reply, arguing that the Nation does not have an excessive nuclear stockpile if one considers that the United States must be ready for various kinds of limited and tactical wars as well as all-out nuclear war.

But McNamara went so far as to say that fiscal 1965 budget work now underway at the Defense Department includes detailed studies to determine whether any cutback in

weapons procurement is justified, and if so, how much.

Moreover, McNamara said if these studies indicate that reductions in warhead procurement are advisable this finding "will be reflected in the fiscal 1965 budget now in preparation." This budget will be sent to Congress in January 1964.

BACKGROUND OF DECISION

The Defense Department's new, hard look at its future nuclear weapons requirements was not prompted by McGovern's concern. The White House, the Bureau of the Budget, the Defense Department and the Atomic Energy Commission have all been aware for several years that one day the Nation's capacity to produce nuclear weapons would exceed its needs.

Indeed, this was the reason that the AEC, in September 1961, took the initiative and cut back its production of uranium 235, the stuff of atomic warheads. The seed for this action was planted during the Eisenhower administration.

It has not been disclosed just how much of a cutback in U^{235} production was ordered. But the AEC has announced that effective June 30, 1964, it will require 1,030 megawatts less power for its diffusion plants at Oak Ridge, Tenn., Portsmouth, Ohio, and Paducah, Ky. This represents 17 percent of the power that has been required by these plants up to now.

FURTHER STUDIES BY AEC

The fact that nuclear weapons supply is apparently exceeding demand is also the reason why the AEC is now conducting a study to determine whether it should make further cutbacks, not only in U^{235} production, but in that of plutonium, too.

Moreover, informed sources said, the AEC has a second study underway to determine how it should readjust its nuclear weapons production to satisfy a reduced Pentagon shopping list.

Until very recently, the AEC, which pays for nuclear weapons out of its budget, would ask the Defense Department how many warheads its would need for a given year. The Defense Department would answer, "How many can you make?" The AEC would set the number. The Defense Department would say, in effect, "We can use them all."

Informed sources suggest that this kind of procurement now is changing, partly as a result of McNamara's new approach to strategy and future defense requirements and partly because of concern expressed by the congressional Joint Committee on Atomic Energy about this "tincup" approach.

CUTBACK CALLED INEVITABLE

Though the question of reducing future nuclear weapons production has not been resolved, many administration officials say privately that a cutback is inevitable. What seems to be holding up an immediate decision to reduce production is the potential effect of such a move on the economy and fears in some quarters that the national security would be impaired.

Concerning security, a cutback in future weapons production will in no way reduce the Nation's already substantial nuclear stockpile. And nuclear weapons material, like an old soldier, never dies. It can be used anew after its removal from a weapons carrier such as an obsolete missile.

[From the Bulletin of the Atomic Scientists, June 1963]

THE ECONOMICS OF PERMANENT PEACE

(By Otto Nathan)

It is premature to discuss the possible consequences of disarmament upon the American economy in more than general terms. As long as we do not know how and when disarmament might actually take place, and what might happen in the American and other economies between now and then, it is futile to speculate about industrial dislocation and readjustment. All that is possible now is to gain some general appreciation of what eliminating armaments might mean to the American economy.

At present, the United States spends about 10 percent of its total national product for defense purposes: The Federal budget for the fiscal year starting July 1, 1963, provides military expenditures of over $5 billion and the total national product of the United States may amount to about $590 billion in the same period. These figures, as well as the details of the military budget, are often used to indicate the magnitude and ramifications of the economic consequences of disarmament, but alone they are quite inadequate for that purpose. Even in the case of complete disarmament, considerable funds would have to be appropriated for military pensions and retirement allowances, an international inspection system, and possibly, an international police force. Also, the defense budget of the United States now provides appropriations of well over $7 billion for industrial research, the results of which are made available to private industry. Since a large part of such research would have to be continued after disarmament, an amount similar to the present appropriation would have to be spent for research, out of either public or private funds.

The possible amounts of postdisarmament expenditure by the United States were estimated in January 1962 by the Arms Control and Disarmament Agency. They estimated that if disarmament began when U.S. defense expenditures reached about $56.1 billion, and were practically completed after 12 years, we would still have to spend over $17 billion a year for defense-related purposes (including only a small part of the research previously financed by the Government). After 12 years, the U.S. Government expenditure for the liquidation of the Military Establishment would still amount to about 30 percent of the peak defense outlay.

For another reason, too, the present military budget is an inadequate basis for speculation. Disarmament must be preceded by complicated agreements on each stage and new international agencies for the protection of universal peace. Hence, years might elapse before the disarmament process could start, even if complete disarmament should be decided upon in the near future. The size and composition of American military expenditures might change in the interim; so might the percentage of the national product devoted to military purposes. Since the economic impact of defense spending might then be quite different from what it is now, eliminating armament expenditures could affect the economy in ways not now predictable. It is certain, however, that in any event, adverse effects would be widespread and multifarious, whatever countervailing—private or public—measures might be taken.

It would be a serious mistake to view the economic effects of disarmament as merely quantitative problems. It has sometimes been suggested that the consequences could not be overly severe because defense spending amounted to only about 10 percent of the total national product, because substitute expenditure would be considerable, and because the process of demilitarization would be distributed over a period of years. But this view ignores the unevenness of the repercussions to be expected. Such industries as aircraft, steel, and sectors of the machinery industry would in all probability be hard hit. Effects on other industries would be less drastic, although every segment of the American economy would suffer, directly or indirectly, from the elimination of the production of a host of products.

Repercussions in various geographical regions would also be uneven. Some would be relatively little affected, while others—such as Long Island and southern California, where the bulk of the aircraft industry is located—would be severely hit. The duration of the emergency created by dismantling would also be quite uneven, depending on how feasible it were for given industries to adjust to new purposes.

Even if the U.S. Government were to spend an amount equal to the total of the previous defense appropriations for other purposes, serious adverse effects on the economy would be unavoidable. Some of the human and material resources utilized for military ends could never be used again; others would require a period of retraining or resettling, retooling or rebuilding. Because of the reappropriation of funds by the Government, some industries might have to increase their capacity without being able to utilize installations and manpower idled by disarmament in other industries. The increase in production due to Government spending would therefore augment production and employment in the construction and machinery industries, but not in the industries directly affected by demilitarization.

Let us assume that the nations of the world arrange a detailed schedule for universal and complete disarmament, to start on a given day. (This discussion deals only with the problems arising from complete disarmament. The economic effects of partial measures of disarmament—such as discontinuance of testing or reduction of manpower—defy general analysis; each measure would have to be examined on its own merits.) The agreement would necessarily provide that all parts of the defense apparatus of all participating countries be frozen as of the first day of disarmament; research and development of new weapons be terminated; and repairs and replacement of obsolete equipment be permitted only in those parts of the establishment scheduled for elimination in later stages of disarmament.

Should total spending by the United States decline by $10 billion in the initial year, Government contracts to various industries, purchases of material, and salaries would decrease by that amount, but this would not mean that the Government would have a surplus of $10 billion at its disposal, even if tax rates remained unchanged. For simultaneous with the dismissal of defense personnel and the decline in military orders and purchases, the Government's receipts from taxation—primarily income and corporation taxes—would be seriously curtailed. Soon afterward, there would be secondary effects of the curtailment of Government expenditures; industries losing defense contracts would not purchase or reorder material, and persons discharged by the Government or private industry would be forced to curtail their purchases until they were able to find new employment. Additional declines in production and employment would hence be inevitable, and cumulative repercussions from the $10 billion reduction of defense spending would be felt in many parts of the economy for a considerable period. For all these reasons, Government tax receipts would materially decline and the available surplus would be considerably smaller than $10 billion. Since disarmament would be worldwide, disarmament overseas would also affect economic conditions in America, and military dismantling in the United States would be felt in the economies of other countries in many different ways. Any estimate of such complex repercussions is, of course, impossible.

Developments similar to those in the initial period would occur in every succeeding year until disarmament was completed. The effects of these developments on the American economy can be fully appreciated only if the basic characteristics of the economic system of the United States are taken into account. The American economy is a free enterprise system, which means that, with

relatively few exceptions, any enterprise—small, large, or monopolistic—has freedom to act at its own discretion, but which also means that any enterprise is left to its own counsel and resources when it is affected by unfavorable developments. The American economy, operating without centralized regulation even of key industries, inevitably suffers from a large measure of instability and insecurity at all times.

National and international disarmament would inevitably further increase the inherent instability of the American economy. Unless a reconversion scheme were set up under government auspices, either for the economy as a whole or for specific industries (a most difficult venture in a free enterprise economy), any entrepreneur who lost defense orders would have to seek reutilization of his productive facilities completely on his own. He would decide on industrial readjustments whenever they promised to become profitable. He would not know—nor would it probably affect his decisions if he did—whether reconversion or changes in production schedules would create overcapacity or oversupply in the industry as a whole, resulting in greater instability in the economy. In many instances, individuals would decide to shift to other industries, businesses, occupations, or locations; it is very probable that some of these shifts would create new imbalances and disharmonies in the economy.

These remarks should suffice to make clear that the readjustment process necessitated by dismantling the huge military establishment could not fail to create serious maladjustments in the American economy if carried through within the economy's conventional free enterprise framework. Although a planned economy could probably master these adjustment problems more efficiently, the changes created by disarmament would present, even in a fully planned economy, a major problem; men and women would be idled, and much time and patience would be required to equitably reorganize the economy.

The extent of long-term unemployment and unused productive and distributive facilities would depend on how willing and able employees would be to utilize their facilities for substitute production. Any prediction about such rearrangements is obviously not possible; if the economy were in a depression, for example, it would be even more difficult for business to adjust their facilities to nondefense production or distribution and for individuals to find substitute employment than it might be in a period of prosperity. Considering both the characteristics of the American economy and competitive conditions in international markets, readjustment would probably be spotty and would require a great deal of time to become more general.

The economic impact of disarmament could be attenuated by measures which the Federal Government might take. Within the basic structure of the American economic system, the Government could give some centralized guidance to the economic readjustment processes to help minimize the shortcomings, economic maladjustments, and disharmonies which are bound to arise in the course of reconversion. A part of the former defense appropriations could provide funds to retrain persons previously employed in defense work, to offer systematic education to those who had not enjoyed such education before, or to make loans and grants available for the conversion or resettlement of specific enterprises. However, the amount that could thus be expended by the Government would absorb only a relatively modest portion of the former military budget.

REAPPROPRIATING MILITARY FUNDS

There would exist three alternatives for the reappropriation of the remaining funds, each of which would affect the economy in a different way. First, the Government might use the funds to retire public debts. The bonds presented to the Government for refund would come primarily from banks, insurance companies, and similar institutions, and probably only to a small extent from corporations and private investors. The effect such repayment would have upon production and employment would depend on how much of the funds would then be used for productive bank loans for capital investment or for purchases of consumer goods. There is reason to fear that a part—and possibly a large part—of those funds would lie inactive for a period of time, so that any budgetary surplus used for debt repayment would not significantly counteract the decline in production and employment resulting from disarmament. The repayment of public obligations would probably be the most unsuitable policy to adopt. But given the widespread (and mistaken) belief—not to say obsession—in the United States regarding the ill effects of the public debt, the claim would surely be made by the public and many Congressmen that disarmament provides the long-desired opportunity for curtailing Federal indebtedness.

The Government might adopt a second alternative: curtail taxes. If the entire amount saved through the dismantling of military installations were used to reduce income taxes of the low income groups and excise taxes, a considerable proportion of such funds would be used for the purchase of consumer goods. This would stimulate production and employment in the consumer goods industries, but it would be of very modest help to the industries most affected by disarmament. Tax reduction would, however, hardly be limited to the lower income groups and would most likely be extended to all income groups and to corporate enterprises. Would taxpayers in higher income groups increase their personal expenditures, enlarge their bank deposits, or invest in securities? Would corporate taxpayers invest the additional financial resources in modernizing or enlarging their productive facilities? This would differ in different industries and different enterprises and would be influenced by general economic conditions. It is reasonable to assume that a portion of the funds no longer used for tax payments would remain idle. Total production and employment would most likely be less stimulated than if tax reductions were limited chiefly to the lower income groups.

PUBLIC WORKS PROJECT

The third alternative would be to use the surplus for enlarged public expenditures. This is the only policy which would actually insure an increase in production and employment counteracting the decline created by military dismantling. Diverse outlets for increased spending are available. In fact, there are many crying needs all over America which should have been satisfied long since: new and improved educational facilities; health services and hospitals; slum clearance programs; urban renewal projects; city transportation systems; homes for the aged, blind, and infirm; housing, particularly for low income groups; public welfare institutions; social services of all kinds. A great advantage of such projects is that plans and blueprints could be prepared well in advance, as soon as a definite date for beginning disarmament is decided upon and it is known where and when declines in military expenditure would take place.

Blueprints for projects of an appropriate magnitude and a specific nature could be tailored to the needs of specific areas, contracts could even be let before disarmament actually begins, and work could start almost simultaneously with the decline in production of military goods and the dismissal of personnel. There is yet another great advantage of expenditures for public works, particularly if prepared in advance: production and employment would be stimulated almost immediately and entrepreneurs would be able to adjust their production schedules or facilities appropriately. Compare this to possible developments from the curtailment of the public debt or of taxes, where investing funds would be left to the discretion of individuals and reconversion plans could be based merely on speculation over possible new demands somewhere in the economy.

Although substitute Government spending for social and welfare needs would be by far the most effective of the three possible alternatives, it would not be able to absorb the entire capacity idled by disarmament—even if the total amount of spending in the economy were maintained at the predisarmament level. Some of the facilities previously used for defense orders could probably not be used for other goods. Part of the discharged labor force and military personnel would have to pass through a lengthy process of retraining and readjustment; others—especially those with highly specialized skills, elderly people, and many professional soldiers—might never be able to find substitute employment. The Government would have to help such victims of disarmament by liberalizing unemployment insurance and providing for an extended period of benefit payments, in addition to other types of assistance.

Congress might also apply a part of the funds previously appropriated for defense to increased economic aid to oversea countries. Since disarmament either presupposes a complete change in the international political atmosphere or would help accomplish such a change, there might no longer be objections to either Government or private loans to the Soviet Union, China, or countries associated with them. Such loans would also create additional production and employment and would replace former military expenditures.

OVERCOMING DOUBTS

While the Federal Government obviously possesses the technical ability to mitigate the complex economic effects of disarmament, the Government might not consider it politically wise to do so, since large-scale public spending would probably result in temporary budgetary deficits. Such doubts are caused by the experience of the last decade: although unemployment has increased steadily since 1951, neither the Eisenhower nor the Kennedy administration proposed remedial measures of sufficient magnitude, nor has Congress taken any initiative itself. One reason for Eisenhower's and Kennedy's failure to act forcefully against unemployment was their desire, shared by the Congress, to limit Federal expenditures for social and welfare purposes as much as possible. Another reason was their apprehension that budgetary deficits might lead to inflationary developments and to a greater deficit in America's balance of payments and in the loss of gold.

This is not the place to discuss these apprehensions, except to say that, under the existing circumstances, neither the danger of inflation nor of increased balance-of-payments difficulties seem to be sufficient reasons to abstain from fighting unemployment through increased public expenditures. These apprehensions would be even less justified in a period of disarmament, since substitute Federal expenditures would not lead to large increases in the public debt so long as the present system of Federal taxes were maintained. Moreover, the appropriations to be requested of Congress for the purposes suggested would be considerably smaller than the defense expenditures which are to be eliminated might suggest since, as already discussed, disarmament would automatically require certain substantial new Government

expenditures. Because of the truly revolutionary change which would be brought about by the abolition of war and the establishment of international security, it is even possible that a wave of optimism would surge through the country, stimulating entrepreneurial initiative and increasing private capital investments which would provide a further substitute for part of the defunct defense orders.

Even if a large part of the defense budget were offset by public and private expenditures, the major change in the use of available human and material resources that disarmament would entail poses many difficult problems for the American economy. Its complicated repercussions would be comparable to the very unsettling consequences of important technological developments—the railroads, electricity, the automobile, or more recently, the diverse effects of automation. But in contrast to these cases of major technological change, we could protect ourselves from many of the unsettling economic effects of disarmament. The transition from armament to disarmament could be directed by the Government, rather than left to the whims of private enterprises; substitute public expenditures could be carefully prepared in every detail since each phase would be known well in advance. Similarly, private enterprises could make preparations for readjusting their productive facilities, insofar as feasible.

The duration of hardship would depend largely on the political wisdom, courage, and sense of responsibility of the executive and legislative branches of the Federal Government. But even if the Federal Government does all that can reasonably be expected, it could not possibly prevent difficulties and emergencies which are bound to arise and which may, in certain instances, persist for some time. It is unfortunate that hardship and suffering will be unavoidable in the great world conversion from recurrent wars to permanent peace. But those who would suffer hardship would do so truly in the service of mankind, and would deserve all the help and assistance that could possibly be provided for them.

[From the U.S. News & World Report, Aug. 12, 1963]

IF PEACE DOES COME, WHAT HAPPENS TO BUSINESS?

This question once again is being raised: If peace does come, what happens to business? Will the bottom drop out if defense spending is cut?

There is a lull in the cold war. Before the U.S. Senate is a treaty calling for an end to testing of nuclear weapons in the air or under water. A nonaggression agreement is being proposed by Russia's Khrushchev.

DANGER SPOTS

Talk of peace is catching on. Before shouting, however, it is important to bear some other things in mind.

Cuba, just off Florida, remains a Russian base, occupied by Russian troops.

Truce in Korea is a very uneasy one.

The guerrilla war in South Vietnam, where Americans in uniform are being killed, is still being sustained by Chinese Communists. The Red Chinese, in an ugly mood, are capable of starting a big war in Asia at any time.

Berlin, in Europe, is only on the back burner. Crisis there can be heated up in a twinkling.

Russia at this point, too, holds an edge in military power of many kinds—including nuclear weapons of supersize. Nobody is proposing seriously that all these weapons be destroyed.

In other words, it is hardly a world in which to go about unarmed, or even with a smaller arsenal of weapons.

But just suppose peace did come and disarmament was agreed upon. What then? Would a depression follow?

This whole question has been the object of Government studies. It has been explored by economists for private industry and other groups.

All studies appear to be in agreement on these points:

1. Disarmament that might occur would be partial and spaced over a period of years, not sudden and drastic. Defense costs now total about $55 billion a year, or about 10 percent of overall spending in the country, public and private. It has been suggested that those costs might be cut by $25 billion, at a rate of about $5 billion a year. Such a cut would be less than 5 percent of total spending when completed in 5 years, and barely 1 percent a year while occurring.

2. A tax cut of comparable size would accompany an arms cut. If defense spending were cut at a rate of $5 billion a year for 5 years, the expectation is that taxes would be reduced by at least that amount, and probably more. This would be aimed at cushioning the shock. It is expected, too, that spending in fields other than defense would be expanded—for roads, schools, slum clearance, mass transit, other programs.

3. Business, in total, need not be upset for any prolonged period. It is true that States in which defense contracts are centered would face a severe adjustment. Some industries dependent upon defense business would be hurt. The additional purchasing power resulting from a reduction in taxes, however, would help many lines of civilian business.

The country could expect to go through a period of uncertainty, in which the stock market might experience an upset. Thus, the effects would be spotty, and few think a general depression would necessarily follow unless the arms cutback should happen to coincide with the working of other forces of a deflationary type.

AFTER WORLD WAR II

Two adjustments from heavy spending on arms have occurred during the past 18 years—and in each case with only a minor shock.

Arms spending reached a high of 81.3 billion in the Government's accounting year that began July 1, 1944. Over 3 years, that spending was cut to 11.8 billion, a reduction of 69.5 billion.

Business at the time took this reduction in its stride. The reason was that war had created a vast pent-up demand for everything from household gadgets to new cars and new houses. Business was moving up strongly by mid-1946.

AFTER KOREA

Arms spending during the Korean war rose to 50.4 billion at the peak. Within a year after the war ended in 1953, arms outlays were reduced to 40.7 billion, a cut of $9.7 billion. Again the shock was minor—eased, to a great extent, by a cut in business and individual income taxes. By 1955, the country was again moving into a boom, with record demand for new cars, high and rising demand for new homes, and record spending by business.

THE NEXT TIME

There would be differences, however, if today's cold war should end. Pent-up demands of consumers have been met. Individuals are heavily in debt already for purchases of cars and other items. Competition from foreign producers is fierce in world markets. The American dollar, after years of carrying the bulk of the free world's defense and aid burdens, now is in some trouble.

Yet out of all the studies comes the conclusion that the United States could take peace without too serious an upset.

The main reason for this optimism is that peace would not just break out overnight.

No nation would be expected to destroy its weapons and disband its armies as the United States did after two World Wars. The theory of those who have made studies is that, so long as Russia and China remain closed societies, the free world could never be sure that the Communist nations were not cheating.

The upshot: Disarmament, if it comes at all, is expected to be limited and gradual, spaced over a number of years.

One official study made by experts in Government, industry, and universities provides an illustration of how this works.

The study, released in January 1962, by the U.S. Arms Control and Disarmament Agency, assumed a continuing buildup in arms until 1965, followed by a gradual scaling down over a period of 12 years.

Cuts in arms spending were seen being offset, in part, by increased spending by the Atomic Energy Commission for civilian purposes and by a growing space-exploration program of the National Aeronautics and Space Administration. Also expected: increased spending for policing of any disarmament agreement.

Allowing for these offsets, the study estimated a net reduction in U.S. security and associated outlays of about $22 billion in the first 6 years after a disarmament agreement.

The study's conclusion: "Disarmament * * * should create small danger of provoking immediate depression in our economy."

That confidence now is widely shared by economists in and out of Government.

DEPRESSIONPROOF?

Neil Jacoby, dean of the Business School at the University of California at Los Angeles, told U.S. News & World Report:

"Peace would not trigger a drastic slump in business. Disarmament would have to come in stages, allowing the economy time to make adjustments. I think the United States is truly depressionproof."

WHAT PEACE WOULD MEAN TO SOME BIG INDUSTRIES

Percentage of total output sold to the military

	Percent
Chemicals	5
Petroleum	10
Iron and steel	10
Fabricated metals	8
Electrical machinery	21
Radio, communications equipment	38
Aircraft and parts	94
Ships and boats	61
Railroad and trucking	5
Construction	2

NOTE: Figures cover the year 1958—latest available.

Source: U.S. Arms Control and Disarmament Agency.

From Allan Sproul, former president of the Federal Reserve Bank of New York:

"I can't see the cold war ending so suddenly as to face us with a sharp cessation of military expenditures. If the cessation is gradual—if and when it comes—we still have the solar system, the inside of the atom, and the amelioration of man's condition on earth to take up the slack."

Other leading economists also are reassuring. These authorities recognize, however, that some difficult adjustments, affecting many businesses, individuals, and areas of the country, would be necessary.

MIXED RESULTS

The charts on these pages show you the industries and parts of the country that would be most vulnerable to an arms cutback.

California would be hit hard. That State handles nearly one-fourth of all the Nation's prime military contracts. It ranks as the biggest "war producer"—in missiles, planes, ships, electronic gear, other items.

New York, Ohio, New Jersey, Massachusetts, and Texas, all deep in the defense business, would feel the impact.

A slash in defense payrolls, military and civilian, would be felt widely. In Alaska, for example, defense payrolls account for more than one-quarter of total personal income in the State. In Hawaii, more than 18 percent of personal income is drawn from Defense Department paychecks.

Washington, D.C., home of the Defense Department's Pentagon, would be hurt. There, defense payrolls account for more than $1 out of every $10 of personal income. The same is true of nearby areas of Virginia.

Some communities would feel a severe wrench. San Diego, Calif., where aircraft and missile production accounts for more than 80 percent of factory employment in the city, is a prime example. Another is Wichita, Kans., where defense manufacturing of missiles and planes provides jobs for 72 percent of all factory workers. In Seattle, Wash., more than half of all factory workers are employed in making missiles and aircraft.

These are extreme samples. Most areas of the country would be affected much more moderately, and some places would feel little direct impact from a cutback in defense.

The Midwest, in general, would not suffer the worst of the blow. That area has faced up to sharp cutbacks in defense spending.

Five of the Great Lakes States—Illinois, Indiana, Michigan, Ohio, and Wisconsin—now get only about 12 percent of the prime military contracts, compared with 32 percent during World War II and 27 percent during the Korean war.

The expectation is that, in this and other areas similarly situated, a defense cutback could be phased out over a period of years without any great dislocations in the economy.

TAKING UP THE SLACK

But what of the States and communities that today are heavily dependent on defense contracts and payrolls? Would disarmament mean economic collapse in these places?

The experts who have explored the question think not—assuming careful planning for an orderly transition. These experts emphasize two points:

First, that defense spending, even if reduced under a disarmament program, will remain substantial for as long as anybody can now foresee.

Second, that any cutback will be phased out over a period of years, allowing time for adjustment to a new era.

Nobody expects California or New York or any other major State in defense production to lose out completely in military business. These States would simply have to adjust to a smaller volume of military production. Troops in large numbers would still be stationed in Alaska, Hawaii, and many other places.

The official idea is for the Government, during the transition period, to move in with many means to head off business trouble.

Tax cutting is one. A tax holiday has been proposed by some. Easier tax rules to help business switch into new fields are under study. Money, under these plans, would be made cheap and easy to borrow—again aimed at helping business over the hump.

Public works of many kinds are proposed. There are plans to rebuild the cities, clean up and develop the Nation's rivers and harbors, build roads and dams, build schools, construct systems of mass transit in urban areas.

Such plans also include vast civilian uses of the atom—to make electricity, dig tunnels, possibly provide a cheap source of power for desalting ocean water for irrigation.

WHERE A CUT IN MILITARY PAYROLLS WOULD HIT HARDEST

Defense payrolls, military and civilian, as a percentage of total personal income

	Percent
Alaska	26.5
Hawaii	18.2
District of Columbia	10.8
Virginia	10.2
New Mexico	9.0
South Carolina	7.6
New Hampshire	7.4
Georgia	6.8
Utah	6.7
Nevada	6.5
Alabama	6.1
Oklahoma	5.9

(NOTE.—All figures are for Dec. 31, 1960, latest available.)

Source: U.S. Arms Control and Disarmament Agency.

All these measures and others, to be financed in whole or in part by the Federal Government, are counted on to ease the difficult years of adjustment. Contracts, so far as possible, would be channeled into areas that are hurt by disarmament.

A CIVILIAN ECONOMY

At the same time, the idea is to stimulate development of new civilian products to catch the public fancy.

The thinking is that the public appetite for better living, new conveniences is insatiable—assuming people have the money to buy.

Peace planners talk of switching research away from military purposes and into peacetime purposes, aimed at developing new civilian markets.

In short, it means an effort to direct public and private investment into building a new civilian economy.

Workers by the thousands, so the thinking goes, would have to be retrained in new skills. The Government has plans for that.

Industry would have to be given the urge and the means to reach out into new fields. Tax incentives, easy money, possibly even direct loans from the Government are among the ideas that are being advanced here.

Nobody expects all this to come off like a rehearsed performance. The transition to peace undoubtedly would be painful for many, at least in the early stages. Still, nearly all authorities on the subject believe a general depression can be prevented.

PSYCHOLOGICAL IMPACT

How severe the initial shock might be is related to the condition of the economy at the time the news of peace develops.

If business is in a downward cycle at that time, peace news could produce a psychological reaction affecting the whole economy. If business is strong at the time, peace news probably will be easier for the economy to take.

Warns Mr. Sproul: "We do not know exactly what makes human beings act and react as they do." He notes that investors did not panic after the sharp break in the stock market on May 28, 1962, but adds, "Another May 28 might bring a different response."

This first reaction to peace news is one of the real imponderables.

EVERYBODY HAS A STAKE

Whatever the initial impact, the effects of disarmament would reach every American.

Tax relief, almost surely, would be voted right away.

U.S. forces, many of them, would come home from abroad. The Armed Forces, a little at a time, would be cut.

The draft soon would end. Young people would be able to plan their lives again.

All this would occur gradually, not all at once. Sudden, upsetting changes probably would be avoided.

The country could hope that, in time, Government spending might be cut, permitting a reduction in the public debt. The plan, in the beginning, is to hold spending high through pump-priming programs.

Foreign aid probably would be cut.

The dollar problem would be eased—assuming a reduction in aid and military spending abroad.

Space programs, at the outset, probably would be pushed by the White House as one way to take up the slack left by a cut in military outlays. In time, however, a public reaction might set in against huge spending to run a race with the Russians in space. Peace would destroy some of the incentive to outdo the Russians in space.

Planners expect the public to be impatient, once disarmament starts, to get the transition pump priming over with and settle down to normal conditions again.

The expectation is that high-level spending, for peace if not for war, will go on for a good many years yet.

THE OUTLOOK

Any real peace, permitting substantial disarmament, still looks a long way off. Yet planning for peace is a continuing project.

If it comes, the experts agree, the country should be able to take what it brings in stride, without a collapse of the economy.

Key areas where jobs depend on arms contracts—Percent of defense manufacturing in all factory jobs

Kansas	30.2
Washington	28.6
New Mexico	23.8
California	23.3
Connecticut	21.1
Arizona	20.6
Utah	20.4
Colorado	17.8
Florida	14.1
Maryland	12.2
Missouri	10.3
Texas	10.0

(NOTE.—Figures are for April 1960, latest available.)

The top 10 States in arms orders—Military prime-contract awards in the year ended March 31

	Billion
California	$5.8
New York	2.5
Ohio	1.3
New Jersey	1.2
Massachusetts	1.1
Texas	1.1
Washington	1.1
Connecticut	1.1
Pennsylvania	.9
Missouri	.7

(In all, these 10 States were granted nearly $17 billion worth of prime contracts—two-thirds of total awards in the United States.)

[From Commentary, May 1963]

DISARMAMENT AND THE ECONOMY

(By Ben B. Seligman)

"We must release the human imagination in order to open up a new exploration of the alternatives now possible for the human community; we must set forth general and detailed plans, ideas, visions; in brief, programs * * * and make these * * * political issues."—C. WRIGHT MILLS.

Let us suppose that we are on the brink of disarmament. Let us suppose that minimum deterrence, preemptive strike, counterforce, retaliatory capacity, invulnerability, arms control, escalation, and all the other recondite notions of the cold war have been relegated by our political leaders to the dusty archives of history. Let us suppose that Polaris, Minuteman, and Davy Crockett are about to be turned into plowshares or preserved as curious museum pieces. Then what?

Some say that the result would be nothing short of economic catastrophe. From 1950 to 1959, $230 billion was spent on weaponry. In 1960, $46 billion of Federal money went into defense, atomic energy, and space, and the budget for fiscal 1964 will provide $54 billion for the same purposes. It is estimated that by 1965 well over 3 million people will be working in defense related industries, and another 4 million will be working directly for the Government, either in blue denims or uniforms. The argument that our prosperity—such as it is—can be traced to the stimulus of the cold war, and that the continued viability of our economy depends on preparation for war, thus appears to have a good deal of weight behind it. After all, did it not take a huge war effort to rescue us from the great depression? As John P. Lewis, the new member of the Council of Economic Advisers, once said: "Short of World War II, no adequate cure ever emerged or was contrived to haul the economy out of the doldrums of the 1930's."

Imagine, therefore, the enormity of the economic problem we would face if disarmament were suddenly to emerge as an imminent possibility. At the moment, 6 percent of the work force is unemployed, and at our skimpy rate of growth, the economy cannot even absorb normal increases in the labor force. How, then, would it be able to provide jobs for the perhaps 4 million persons who would be released from defense industries and the armed services in the event of disarmament? Many economists even think that the situation would be worse than it appears on the surface. For example, Leo and Betty Fishman, a husband-and-wife team at West Virginia University, suggest that the Government, paralyzed by snaillike legislative procedures, would be unable to formulate a quick response and might (as some business troglodytes advocate) use the savings from defense to pay the Federal debt. The consequences of this would be dire indeed. Debt repayments would increase the lazy cash of financial institutions and rentiers, and by a well-known Keynesian device called the reverse multiplier, income and employment would tumble head down. Now, suggest the Fishmans, add to the 4 million already jobless (despite a high-pressure defense effort), another 4 million released from armament work, plus still another 4 million discharged because the multiplier is running backward, plus a million newcomers to the labor force, and we are confronted by a total of 13 million persons facing the same conditions that existed in the thirties.

There are, to be sure, other economists who argue that this grim picture is overstated and who rather cheerfully believe that no administration would ever become so rigid as to be incapable of reacting to impending doom. No one, however, doubts that the economic problems attendant upon disarmament would be critically serious, and considering that disarmament is one of the stated goals of our foreign policy, it would be reasonable to suppose the top Government bureaus and private research organizations in Washington are at this very moment busily engaged in studying these problems. But the sad fact of the matter is that apart from a few private individuals and a single small bureau—the Arms Control and Disarmament Agency—no one has done more than look at the economics of disarmament before turning away either in bemusement or horror.

The Rand Corp., that den of powerful minds wrapped in their own assumptions, is casually uninterested. The Council of Economic Advisers assures us that it knows what must be done (merely turn a few Keynesian tap valves) and that it anticipates no real difficulty in educating Congress on the issues at stake. The Peace Research Institute, headed by former Ambassador James Wadsworth, concedes that planning for disarmament is important, but it just hasn't gotten around to it yet. The Institute for Defense Analysis—another Rand-type group—regards the whole question as premature. The Joint Economic Committee staff is aware that grave problems may stem from defense cutbacks, but what can they do when committee members have other cats to skin? In all of Washington, only ACDA, with its relatively low budget and undermanned research bureau, has issued any sort of report on the consequences of disarmament—and this was prepared by an outsider, Emil Benoit of Columbia University.[1] Add a few more articles and studies by Benoit, Seymour Melman (also of Columbia), Kenneth Boulding of Michigan, the "country reports" submitted by other member nations to the U.N. expert panel on the economics of disarmament, and a London Economist survey, and the list of literature on the subject is virtually complete.

Benoit, Boulding, and Melman have done heroic work in trying to arouse public interest in what could happen in the event of disarmament. The first two writers have been nursemaid and godfather to the research program on economic adjustments to disarmament (READ) which recently issued a perceptive and useful symposium on the transition to a complete peace,[2] and Melman, of course, has been a kind of St. John shouting in the canyons. But there has scarcely been so much as an echo in response. A few private citizens in Connecticut have tried to study the issues: Women Strike for Peace has some local committees at work; the Friends have published one or two brochures; and here and there a major defense contractor has wondered how to penetrate an ordinary consumer market. In the main, however, the important people simply do not care.

The history of what happened to Senator HUBERT HUMPHREY'S report on the effects of disarmament illustrates the sort of attitude that evidently prevails in high places. As far back as 1961, HUMPHREY had argued in his Special Subcommittee on Disarmament that a study of adjustment problems was essential. The "enormous unfulfilled demand for commodities and labor shortage as well" after World War II and Korea contrasted sharply, said he, with the substantially satisfied demand and * * * unemployment today. Consequently, he canvassed some 400 manufacturers to determine the plans they might have on their desks for conversion to nonmilitary production. The replies were quite interesting: a fair number of respondents deep in defense work called for an orderly reduction over a reasonable period of time, with extensive Government planning to deal with the economic problems of disarmament. (Of course, it was not clear from the replies whether these companies were prepared to accept directives from a central planning body or merely wanted to shift the cost burden to Government.) Interestingly enough, HUMPHREY'S study also revealed an extraordinary concentration of defense contracts, with four firms reporting over $1 billion in defense business and eight firms reporting from $500 million to a billion.

Yet the report was suppressed. The official story in Washington is that some of the subcommittee members feared it might be used by Soviet propagandists, although Secretary of Defense McNamara saw nothing awry in it. Senator SYMINGTON was disturbed by the chance that the survey might be quoted out of context to back up the Marxian theory that war production was the reason for the success of capitalism. Subsequently, both he and Senator AIKEN insisted on placing a confidential stamp on the document, limiting its publication to 150 copies and burying it so effectively that it is now almost impossible to turn up a copy. HUMPHREY argued in vain that public understanding of the issues was at stake, that most of the data had been shared with the U.N. experts in any case, and that a number of copies already were circulating among sundry Federal departments and on the Hill. Finally, on October 5 of last year, irritated beyond words at his colleagues' behavior, HUMPHREY exploded in the Senate, giving away the major conclusions of the report.

There are, then, several schools of thought on the economics of disarmament. First, we have the uninterested, which includes most of the agencies that ought to be interested. Then there is the self-interest school, which includes certain industrialists who prefer Pentagon projects but are not unwilling to enjoy a slice of arms control and disarmament funds. Senator HUMPHREY, on the other hand, is a leading spokesman for the "we can do it but let's not be stupid about it" group—small, fortunately articulate, and probably making the most sense; here we may include the Melmans, Benoits, and Bouldings. The extreme worriers are typified by the Fishmans. And finally we have the "let's be rational" school, exemplified by William Royce of the Stanford Research Institute, who argues tautologically that the industries now engaged in making missiles or electronic components will have little difficulty under disarmament if they find something else to do, and who further intimates that since the Russians can't be trusted to keep an agreement, all planning for disarmament must be predicated on a slow process of transition with phased reductions stretched perhaps over a decade.

The assumption of a phased reduction in arms, while attractive mainly for reasons of Hochpolitik, is on other grounds open to serious question. The London Economist, in its well-documented survey,[3] makes a cogent argument for a changeover period lasting no more than 2 years. The quicker the changeover, says the Economist, the less likelihood of error would there be. Also, rapid disarmament would have a more salutary psychological impact, for the exhilaration of an unarmed peace might generate its own momentum. But most important, what Thomas Schelling calls the reciprocal fear of a surprise attack would necessitate a crash program on both sides to prevent the old escalation from starting up again. All this means that planning must be done now, careful planning, both macroeconomic and microeconomic in character.

Apart from everything else, forethought would ease the anxiety voiced by many who still remember the chaos of 1918 and who know that we were only saved from a similar chaos in 1945 by an extraordinary pent-up consumer demand and a population explosion of rare dimensions. The anticipated deflationary impact of reduced Federal budgets was obliterated after World War II in an orgy of spending, the likes of which had seldom been witnessed before in human history. Today, however, there is no storage bin of unsatisfied demand; consumer debt, at $61.4 billion, is almost six times what it was in 1947; unemployment is running at the rate of 6 percent of the civilian labor force; and one-sixth of those work-

[1] In addition, the ACDA has published the American reply to a U.N. inquiry on the effects of disarmament, a rather detailed memorandum which was included in the U.N. disarmament experts' report of February 1962.

[2] Emil Benoit and Kenneth F. Boulding, editors, "Disarmament and the Economy," published this month by Harper & Row.

[3] Economist Intelligence Unit, "The Economic Effects of Disarmament," 208 pp., $5. Available from the University of Toronto Press.

ing are on part-time hours. And to make matters worse, today's defense industries, utilizing exotic material and esoteric production systems, are virtually inconvertible coin. When disarmament comes they may simply have to be junked. This is the key problem: today's defense industries do not manifest the sort of relationship to the rest of the economy that was characteristic of earlier defense and war efforts.

It appears, therefore, that nuclear disarmament involves a new and strange structural situation: conversion will not be a matter of searching for fresh consumer markets. The old task of discovering new work for facilities temporarily diverted is no longer the core of disarmament adjustments, for time and technology have made the present defense industries less and less transferable to alternative uses. There is one consolation which could ease the reconversion process: our putative affluence might be sufficient to carry the burden, so accustomed have we become to sudden obsolescence. But the people, several millions of them—where would they go? How much human obsolescence can our society bear before it cracks under the strain?

But our story is moving ahead too quickly. The economics of disarmament is divided into three parts: conversion; stabilization; and expansion. The problem of human obsolescence belongs to part three—where growth in the industries comprising the civilian economy would presumably take care of it. First, however, we have to worry about conversion, which means rearranging the commodity mix to satisfy a new kind of public and governmental demand, and next we have to concern ourselves with stabilization, i.e., the prevention of unemployment and deflation. Then, and only then, do we start worrying about expansion and growth.

One way of making a comprehensive study of how resources might be shifted about in the event of disarmament is to construct an input-output table, a device that determines how much of the output of all other industries is needed by every single industry to produce a unit of its own. Such a table can yield a complex statistical matrix showing how men and resources may be moved about in response to a given level of final demand. What would a matrix of this kind reveal about disarmament? The answer, as it happens, has already been given by Wassily Leontief, the originator of input-output analysis, and Marvin Hoffenberg, in the April 1961 issue of Scientific American. Leontief and Hoffenberg argue that the 2,000 workers and 6,000 servicemen who would be released for each $100 million reduction in arms spending could not be totally absorbed by the private business sector. For one thing, reconversion would create its own bottlenecks: If a heavy roadbuilding program were undertaken, for example, cement shortages might delay the effort, while industries once committed to defense (such as electronics) would wither on the vine for lack of sales. In other words, a proper reallocation of resources is a longrun affair, and in the absence of planning, economic deficiencies would plague the body politic. Yet the matrix also revealed that a 20-percent reduction in military outlays during the first stages of disarmament could increase employment, provided the savings were applied to pressing civilian needs.

However, observations such as these are based on large calculations that can be completely upset by the actions of individual business firms. A few years ago, Seymour Melman asked a number of companies how they were preparing for disarmament. One concern replied that the abolition of defense work would be catastrophic—it obviously had never dreamed that its subsidized sales might one day peter out. An engineering research firm with 25 percent of its contracts in defense was candid enough to say that it would simply fire 25 percent of its employees. An electronics manufacturer with half his production geared to the military refused even to weigh this question. And so it went. William Royce, the SRI disarmament expert, has in effect complained that industry can plan only if it knows the direction in which the Federal Government intends to move—if, that is, it knows something about the proposed curtailment of weapons systems and the programs for space exploration, and knows whether Washington will grant patent protection to new industries stemming from defense work. In short, will the Great Underwriter—as David T. Bazelon calls the Federal Government—guarantee civilian markets as it has guaranteed military markets? Will there perhaps, even be lucrative contracts for disarmament itself?

This last possibility is not far fetched. The capital outlay of a test ban inspection system has been estimated by Melman at approximately $1.7 billion. An international radar network for disarmament inspection with machines installed on land and ships would cost initially about $10 billion, while annual operating expenditures have been calculated at $600 million. Aerial reconnaissance would require another $420 million. All told, these expenditures might reach well over $12 billion, with $1.5 billion needed each year for maintenance and operation. There is not much here as compared with the arms race, but it is something on which to fall back.

And, indeed, the scent of these dollars has already begun to waft toward the defense companies. Recently Business Week reported that Bendix, Raytheon, and General Telephone & Telegraph were very much interested in the "potentiality of arms-control hardware contracts." Bendix even went so far in late 1962 as to a stage a conference on the subject, and the odd mixture of tough thinkers from Rand, Pentagon officials, academicians, electronics manufacturers, and the first secretary of the Soviet Embassy, led one observer to describe the session as resembling a meeting of temperance ladies held in a bar.

No doubt contracts for disarmament hardware would ease the burden of adjustment, for to judge by one analysis, existing defense industries would have a devil of a time penetrating ordinary civilian markets. James McDonagh and Steven Zimmerman, two young engineers, discovered that in the airframe industry only once in the years between 1950 and 1955 did a major company sell as much as 30 percent of its product to civilian customers. That, as McDonagh and Zimmerman put it, the sales and marketing experience of the industry should in some respects be quite limited, is not surprising, for defense firms (most of whose industrial capacity stems from Government subvention anyway) know how to politic and bargain with one big customer only. And this is not quite the same thing as knowing how to carve out a slice of domestic sales.

Where could the airframe industry—to take it as a representative example—go for nondefense business after disarmament? Commercial aircraft? That would bring in a mere $168 million a year, hardly enough to pay expenses. Prefabricated homes? With a potential of 1½ million units annually, the industry might secure $850 million a year. If there were bridges to build or if rapid transit were revived (a genuine need today), perhaps another $400 million or so a year could be recaptured. Yet even with all of this, only 58 percent of the airframe industry's present sales capacity would have been replaced. Thus, assuming a constant relationship between sales and employment, over 200,000 employees would have to be dismissed.

While after World War II many aircraft manufacturers shifted half-heartedly to canoes and powerboats and stainless steel caskets and subcontracted for musical instrument manufacturers,[4] today firms like General Dynamics, skilled only in high-cost high-specification operations, would have great difficulty in adapting successfully to big-volume, low-cost, low-quality production. There is little opportunity to apply modern techniques of military production—techniques that require parts to be assembled in dust-free, vibrationless plants with devices constantly tested, temperature and humidity carefully controlled, and precision machinery of the kind achieved only by computer calculations—to normal factory methods. For such concerns today, abolition of the cold war means bitter obsolescence—unless a vast space program, or something like it, were to come to the rescue.

Of course, from a purely economic standpoint, the disappearance of these industries would not be a great calamity. There technology is so special and esoteric that the income they create in other sectors of the economy—the Keynesian multiplier—is considerably less than the amount that stems from the old-line industries. Leontief has estimated that about $42 billion of direct military purchases in 1958 generated another $44 billion of indirect demand—a multiplier of 2. But meanwhile, the arms mix undergoes rapid change, and with virtually every alternation in defense strategy (from surface weapons to missiles, from airframes to electronics, from simple logistics to complex subsystems), the capital share in military spending goes down; it has indeed moved from about 75 percent in 1951 to 47 percent today. In consequence, the defense industry multiplier is probably a good deal less than 2 by now.

A further result of the stress on these exotic industries has been the loss of oversea hard-goods markets—machine tools, for example. Moreover, the distorted geographical distribution of defense contracts has influenced the pattern of industrial location in ways that could, in the absence of advance planning, easily result in chaos when cutbacks occur. Many towns in the South rely almost exclusively on military installations—what would happen to Cape Canaveral if disarmament came? In Los Angeles almost 200,000 workers draw paychecks from 3 aircraft companies. In Wichita, 72 percent of the work force is employed in making planes and missiles. In the States of Kansas, Washington, California, Connecticut, and Arizona, anywhere from 20 to 30 percent of manufacturing employment is in ordnance, electronics, aircraft, missiles, and ships—the leading industries in the military-space complex. Disarmament without planning would unquestionably leave many localities in these areas as destitute as a ghost town in a western movie.

The National Aeronautics and Space Administration has been admonished several times by Congress to spread its share of the business, but most of it still flows to the west coast. Of the $2.7 billion NASA spent in fiscal 1963, California received 30 percent, while 28 percent went to three Southern States, and only 1 percent to all of New England. The Pentagon explains—and with some justice—that its contracts must be placed where prior investment had been made in research and where the higher skills for the new weaponry can be found. Thus, the increasing need for technical competence and scientific components intensifies the insulation of the defense sector from the rest of the economy. This, perhaps more than any other single factor, has impeded genuine growth.

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[4] Some companies were helped by relying on such gimmicks as loss carrybacks to offset past taxes, which enabled them to latch on to more profitable firms—once again the Government became an underwriter.

In a recent Harvard Business Review article,[5] Robert Solo of the National Planning Association demonstrated that since 1920 research and development expenditures have increased at a phenomenal rate, rising 400 percent in relation to national income, while output per man-hour in the economy as a whole has steadily hovered around the old norm of a 2- to 4-percent gain per annum. Hence, he argued, not only has there been no perceptible relationship between R. & D. and economic growth, but the latter may have been inhibited by just the sort of research demanded by the military. Missiles and shooting for the moon may heighten our sense of international prestige, but they add little to the ordinary goods and services needed by an expanding population. Even worse, defense and space research is a parasite on the rest of the economy, for it feeds upon some of the best talents of society. The old-fashioned scientist who might have invented a gadget that could increase output per capita is now an engineer on a team project constructing a component for the trigger of a space vehicle.

Military technology, in short, has moved further and further away from industrial research to the point where the possibility of communication between them has all but disappeared. How, asks Solo, can such skills as preparing a research proposal or designing space instruments or planning "component development" be transferred to production for civilian markets? Of course, there have been some cases of successful transfer, as with PERT—a computer system—and Telstar. But these are exceptional. There are few, if any, civilian counterparts for nuclear warheads, supersonic planes, and the rare materials that go into spaceships. The very habits of the scientists and engineers involved are wrong for civilian production. They are concerned only with performance—"tell the front office to worry about cost"—and they are accustomed to producing prototypes of machines while eschewing standardized methods. The inescapable conclusion is that spillover from defense to civilian life is almost nonexistent.

We pay a rather handsome price for this strange non-Keynesian situation. The military budget in fiscal 1963 was $51 billion; for fiscal 1964 it has been set at $54 billion. The research and development share, though only 8 percent of the total, is essential to the whole complex. The development of weapons systems takes three-fourths of military research and development funds, while research in engineering, physics, biology, and the like absorb the balance. Not surprisingly, the scientific community has become utterly dependent on Government largesse; in 1961, over 75 percent of electronics scientists and engineers were working on projects paid for by the Federal Government.

What can happen when suddenly cutbacks are made without proper planning was brought home vividly when the Skybolt missile was eliminated from our arsenal not long ago. Douglas Aircraft, the prime contractor for this weapon, dismissed about 4,000 workers, and another 5,000 jobs being supplied by subcontractors were placed in jeopardy. Yet all Douglas could think of to do was protest the Defense Department's decision, arguing that Skybolt should be kept on because it would save billions in taxes by extending the life of the B-32 bomber and Britain's Vulcan II.[6]

Few of the companies working on missiles and communications meet contract cancellations with anything more than public hand wringing and telegrams to their Senators. Sometimes they get a congressional investigation started. Meanwhile, the workers are sent packing to the unemployment insurance offices. In 1957, for example, the Navajo missile was abruptly removed from the Pentagon's weapons arsenal and 2 days later some 10,000 persons had to scrounge for other jobs as some $680 million went down the drain. Similarly with Regulus II, a submarine missile; the boron high-energy fuel for supersonic jets; the P6M Seamaster jet seaplane; and the atomic-powered airplane, shelved after a decade's work. The psychological and economic shock to the communities involved has finally set the Pentagon to thinking about the "potential economic impact of procurement efficiencies," and unofficial hints are now going out to localities unduly dependent on Federal contracts.

The burden of planning the changeover, then, goes by default as well as necessity to the Federal Government. Nevertheless, there are business diehards who still insist on laissez faire. Richard Raymond, a General Electric spokesman, urges reliance on the free market with "bold risk decisions to take advantage of conversion opportunities as they arise," without grasping the rather elementary notion that government may have to create such opportunities. The Magazine of Wall Street proposes a National Reconversion Committee comprised of leading business and retired executives to arrest the onslaught of Government zealots. About the millions of Americans who live in abject poverty, and who can only be helped by massive outlays of moneys for public needs, such ideologues have nothing to say. Yet the two documents mentioned above that were prepared under the aegis of the Arms Control and Disarmament Agency, by revealing the usual backlog of starved public services, indicate what might be substituted for arms. Housing could absorb $33 billion over a period of years; mass transit might account for $9 billion over the next decade; and resource development $8 billion a year. At least $10 billion a year could be used to improve the educational system. Additional expenditures for health services, better social security schemes, retraining and relocation, area redevelopment, and adequate foreign aid would take care of the rest (and without rushing into space); in fact, the total could easily pass what is now spent by the Pentagon, NASA, and the AEC.

But how does one venture upon these programs? What are the specifics? At what points in the economy do we mark off the starting lines? Difficult as it seems, the problem is not intractable, for there are institutions and organizations in our society which could be utilized to initiate the new peace. Public corporations such as TVA, local housing authorities, State road commissions, and urban renewal agencies—all could be put to work the moment a disarmament agreement were signed. Despite the acknowledged deficiencies of some of these bodies, their accomplishments might be surprising enough to make us ashamed of the neglect they have had to bear while we have been wrangling our way to the edge of extinction.

All this, to be sure, could only take place in what economists call a proper fiscal environment, which means an environment created by tax cuts and budget deficits. But these would have to be of sizable proportions—much larger than the piddling sums of the present tax and budget program—to correct the combined effects of defense cutbacks and a stumbling economy. The tax cut alone ought at the very least to be $10 billion in the first year of disarmament; with the dual multiplier-accelerator evaluated at 3.7, this would probably yield $37 billion in gross national product, enough to initiate the readjustment process with ease.[7] However, since in a lagging private sector accumulated idle capacity tends to impose restraints on any exuberance stemming from fiscal maneuvers, the tax cut might have to be substantially larger than $10 billion to do an adequate job.

Disarmament, then, need not result in economic catastrophe: the necessary economic knowledge is at hand for dealing with the problems that would arise. What remains to be created is a sense of urgency in high places over the need to prepare now, and an awareness throughout our society that with proper planning and forethought, disarmament would be an economic contingency to be welcomed, not a disaster to be feared.

Mr. PELL subsequently said: Mr. President, I commend Senator MCGOVERN on his constructive, imaginative, and bold proposal for a National Economic Conversion Commission. This kind of thinking is needed in giving our planning and thinking a longer term outlook than is presently the case. My belief is that by the end of this century we will either have worked out some satisfactory form of general armaments control or we will have engaged in nuclear war. I pray that the former alternative, that is, some adequate form of armaments control, will be our world's choice. And if it is, we will benefit greatly by the thinking engendered by Mr. MCGOVERN's bill.

The Senator has, I believe, demonstrated remarkable clarity of thought and courage in introducing this measure, and I commend him heartily for it. His proposal is an imaginative and constructive plan to give this Nation's economy a vested interest in peace.

I also believe that very serious thought must be given to the welfare of workers at defense installations. In fact, I believe when jobs are lost to workers through no fault of their own, but as a result of a shift in national policy, be it a shift in trade policy or of defense policy, then some sort of planning and protection must be provided those who are affected in local areas through no fault of their own. In this respect, I think the purposes of this bill should include the looking after of the welfare of workers at defense establishments which goes further than does this bill as I read it.

CONVEYANCE OF CERTAIN LANDS TO STATE OF HAWAII

Mr. INOUYE. Mr. President, on behalf of myself, and my colleague, the senior Senator from Hawaii [Mr. FONG], I introduce, for appropriate reference, a bill to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes.

This bill has been submitted and recommended by the Director of the Bu-

[5] November-December 1962.

[6] The idea of trying short-range commercial jets did occur to Douglas as well, but typically it was a year behind the British Aircraft Corp. which already had been selling them to American airlines.

[7] The multiplier indicates how much new gross national product will stem from a given amount of investment; the accelerator measures the response of investment to additional consumer spending. These processes are, of course, interrelated; the Joint Economic Committee recently estimated the multiplier at 2.5 and the accelerator at 1.2.

reau of the Budget. I ask unanimous consent that the letter to the President of the Senate accompanying the bill be printed in the RECORD at this point in my remarks.

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

The bill (S. 2275) to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes, introduced by Mr. INOUYE (for himself and Mr. FONG), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter presented by Mr. INOUYE is as follows:

OCTOBER 28, 1963.

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

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyence of certain lands to the State of Hawaii, and for other purposes. The proposal would provide an equitable means for eventually returning to the State of Hawaii certain surplus Federal lands which it would otherwise be unable to receive because of the provisions of the Hawaii Statehood Act (Public Law 86-3; 73 Stat. 4).

We believe that Hawaii has a unique claim on the lands and property involved since they were originally given to the United States by the Republic or the Territory of Hawaii. That claim and the special status of those lands and property have been recognized by the United States for many years. In essence, the proposal would provide for the continuation of a 60-year practice of returning those lands and property when they were no longer needed by the United States.

CEDED LANDS

Section 1 of the draft mainly concerns three types of land and property controlled by the Federal Government in the State of Hawaii: (1) The public lands and public property ceded to the United States by the Republic of Hawaii under the joint resolution of annexation of July 7, 1898 (30 Stat. 750); (2) lands and properties acquired in exchange for such ceded lands and properties; and (3) lands of the Territory of Hawaii and its subdivisions. Those lands and properties were all at one time the public property of the people of Hawaii or were exchanged for such lands and properties.

The bulk of the lands involved, which were ceded at the time of annexation, have always been treated differently than the other public lands of the United States. History clearly indicates that those lands were regarded as having been held in a special trust status by the United States for the benefit of the Hawaiian people. The resolution of annexation barred the extension of Federal public land laws to Hawaii and provided that the revenues from the ceded land, except for those used by the United States, were to be used solely for the benefit of the inhabitants of Hawaii.

Subsequently, the Congress provided, in section 91 of the Hawaiian Organic Act of April 30, 1900 (31 Stat. 141, 159), that the ceded lands were to remain in the "possession, use, and control of the government of the Territory of Hawaii, and shall be maintained, managed, and cared for by it, at its own expense, until otherwise provided for by the Congress, or taken for the uses and purposes of the United States by direction of the President or of the Governor of Hawaii." Provision was made in the same section for the return to Hawaii of ceded lands taken, for United States use and for actual transfer of title to the Territory in certain cases. The special trust status of those lands was further made clear in that there was no provision for their sale by the United States and in that any revenues secured by the United States from the rental of those lands taken for Federal use had to be returned to the Territory. On the other hand, sale of ceded lands by the Territory was authorized.

During the almost 60 years that Hawaii remained a Territory of the United States, the President and the Governor frequently set ceded lands aside for the use of the United States. Lands were taken for military bases, the national park, lighthouses and a variety of other purposes by Executive orders and proclamations. Provision was also made, in section 73(q) of the Organic Act for the Governor to set aside for U.S. use other lands belonging to the Territory of Hawaii.

The Hawaii Statehood Act (Public Law 86-3; 73 Stat. 4) again recognized Hawaii's special claim to the ceded land and, in section 5(b), provided for the granting to Hawaii of the United States title to all such lands and lands acquired in exchange for ceded lands except insofar as they were set aside for U.S. use on the date Hawaii became a State. Section 5(e) of the Statehood Act provides for a review of those lands which were set aside, as well as any lands of the Territory and its subdivisions which were set aside, during the 5 years ending on August 21, 1964. Section 5(e) authorizes the President to determine whether the set-aside lands are no longer needed by the United States and to convey to the State those which are not needed.

However, after the conclusion of the current 5-year review, it appears that Hawaii will no longer be entitled to the return of the lands it originally gave to the United States. Thus, absent new legislation, the State of Hawaii wil be denied those lands to which the Territory was entitled during its 60 years of existence, and there will be a significant departure from the heretofore accepted concept of the special trust status of those lands.

Section 1 of the draft legislation is intended to correct this inequity and, in effect, to provide a procedure whereby the ceded and other lands and properties which are set aside may continue to be returned to the State of Hawaii whenever they become surplus to Federal needs. We believe such action is fully justified in keeping with the manner in which the lands and properties were acquired and the history of the special trust status in which they have been held.

Section 1 of the draft would authorize the Administrator of General Services to determine when the lands and properties involved are surplus, thus terminating at the close of the 5-year period specified in the Hawaii Statehood Act, the special Presidential review and providing for the processing of the lands involved in much the same manner as other Federal lands are processed for disposal. The Administrator would be able to transfer such lands among other Federal agencies when they become excess to the needs of the controlling agencies and otherwise treat them in the same manner as other Federal lands until he determines them to be surplus.

While the lands would generally be returned to the State without monetary consideration, section 1 of the draft does authorize the Administrator to make such conveyances subject to any terms and conditions he may prescribe. It is anticipated that that authority would be used primarily to preserve utility easements and to protect Federal interests in other properties which it retains. Provision is also made for safeguarding the U.S. interest in buildings, structures and other improvements made on the lands after they were set aside. In the event that the surplus lands contain such improvements which have an estimable fair market value, under section 1 of the draft, the Administrator must require the State to pay such fair market value before the lands and improvements are conveyed. In the event the State does not agree to the payment, the Administrator may remove the improvements and dispose of them under other applicable laws or, if they cannot be removed without substantial damage, he may dispose of both the improvements and the lands involved under other applicable laws. In the latter case, in keeping with Hawaii's claim to the land, the Administrator would be required to pay over to the State that portion of any proceeds equal to the value of the land involved.

There would be one exception from the lands otherwise subject to conveyance to Hawaii under the terms of the draft legislation. No ceded or other lands administered pursuant to the act of August 25, 1916, providing for national parks, could be conveyed under the proposal. That exception would be in keeping with the special status accorded national park lands by the Congress in excluding them from the current 5-year review of Federal lands in Hawaii and in keeping with the Congress' long-established practice of disposing of park lands by special congressional action.

At present, about 410,000 acres under Federal control in Hawaii consist of set-aside ceded and territorial lands. About 230,000 acres of that total are located in the national parks and most of the remainder in various military installations. As noted above, these lands—except for the national park lands—could only be returned to the State in the event they become surplus.

SAND ISLAND

Section 1 of the draft bill would also authorize the Administrator of General Services to convey to the State of Hawaii without reimbursement any Federal lands on Sand Island and the reef lands connected therewith in the vicinity of Honolulu Harbor which he determines to be surplus. Any conveyances of those lands would be subject to the same procedures applicable to surplus ceded lands.

The State's claim to the land on Sand Island, including the reef lands connected therewith, is based on the contention that the United States acquired title to all of the area through the joint resolution of July 7, 1898, providing for the annexation of the Republic of Hawaii. That resolution, among other things, ceded and transferred to the United States all the public lands, buildings, ports and other property belonging to the government of Hawaii. Honolulu Harbor and the adjacent reef lands in which Sand Island is located were generally considered to have been part of that cession.

As noted above, we believe there is full justification for the return to Hawaii of surplus ceded lands.

Sand Island consists of about 550 acres of fast land, the large bulk of which was created by natural and artificial accretion since the annexation of Hawaii. About 125 of those acres have never been claimed by the United States and are now controlled by the Hawaiian Aeronautics Commission pursuant to an executive order of the governor. Another 202 acres were transferred to the then Territory of Hawaii by the President in Executive Order No. 10833 of August 20, 1959. That conveyance was authorized by the act of August 25, 1958 (72 Stat. 850), which provided that the transfer be without monetary consideration and that the proceeds from the use or disposal of the land be used for the support of the University of Hawaii.

The United States continues to control the remainder of Sand Island and certain adjacent submerged lands. About 261 acres, of which about one-third are submerged, are

controlled by the Department of the Army and constitute the Sand Island Military Reservation. The remaining 27 acres under Federal control constitute the Sand Island Coast Guard Base. The Coast Guard has a continuing requirement for its base and an additional requirement for about 19 acres of land currently controlled by the Department of the Army. The remaining 242 acres of the Army reservation are excess to Army needs, and no other Federal need has developed for this area to date.

An Attorney General's opinion of July 18, 1940 (30 Op. Atty. Gen. 460), relative to Sand Island states that it appears probable that Executive Order No. 3358 of November 24, 1920, setting aside lands on Sand Island and Quarantine Island for military purposes, "was issued under the theory that the lands set aside by it were a part of the public lands which belong to the Hawaiian government and which passed to the United States under the joint resolution of annexation * * *." While no authority for action was cited in the 1920 Executive order, the Attorney General stated that it is probable that section 91 of the Hawaiian Organic Act was the basis for action.

If it were certain that Sand Island does consist of ceded land set aside for Federal use, it would be possible now to convey to the State that portion of the land which is no longer needed by the United States. That conveyance could be effected under section 5(e) of the Hawaii Statehood Act which authorizes the return to the State without reimbursement, until August 21, 1964, of ceded lands under Federal control which are determined to be no longer needed by the United States.

Two factors, however, have cast doubt on the possibility of conveying any land on Sand Island to Hawaii under the authority of section 5(e) of the Statehood Act. First, two private corporations claimed title to the Sand Island area at the time of annexation as successors to the interests therein of the William Sumner estate. The private claims to the area were never recognized by the United States or the Territory of Hawaii but were settled in a compromise agreement in 1902 wherein the corporations quitclaimed their interests in the area to the United States in return for receipt of a land patent from the Territorial Governor confirming their title to the remainder of the Sumner estate. The United States was named grantee in the quitclaim deed because an Assistant U.S. Attorney General had taken the position that in an exchange of ceded land with private parties in Hawaii, for other than street or road widening or other local purposes, the conveyance should run to the United States rather than the Territory of Hawaii though equitable title to ceded land was in the Territory. Second, by means of dredging and filling as well as natural accretions, the fast land in the area has increased from less than 10 acres at the time of annexation to the present size of about 550 acres.

The private claim to the area casts some doubt on the fact that the Sand Island was acquired as part of the cession from the Republic of Hawaii. Further, section 5(i) of the Statehood Act, which applies the Submerged Lands Act of 1953 (67 Stat. 29) to the State of Hawaii, casts doubt on the authority to convey filled lands to Hawaii under section 5(e) of the Statehood Act. Because of those factors, the Department of Justice has concluded that the remaining filled land on Sand Island is not susceptible to conveyance to Hawaii as ceded land under section 5(e) of the Statehood Act. This same doubt resulted in the 1958 act to clarify the authority to convey another part of Sand Island.

We believe that the doubt as to Sand Island's status should be resolved in favor of the State of Hawaii.

PUBLIC TRUST

Section 2 of the draft legislation provides that any conveyances to the State of Hawaii under section 1 shall be considered part of, and subject to the terms and conditions of the public trust established by section 5(f) of the Hawaii Statehood Act. That trust, which already applies to all the ceded lands returned to Hawaii under provisions of the Statehood Act, requires that the lands involved and the proceeds therefrom shall be held by the State for the support of public schools, betterment of the conditions of native Hawaiians, making of public improvements, and other limited public purposes.

The Bureau of the Budget urges early and favorable consideration of the proposed legislation.

Sincerely,

KERMIT GORDON,
Director.

DUTY-FREE IMPORTATION OF CERTAIN WOOLS

Mr. RIBICOFF. Mr. President, I introduce, for appropriate reference, a bill to amend paragraph 1101(b) of the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacturing of polishing felts. I ask unanimous consent that the text of the bill be inserted in the RECORD following my remarks.

Mr. President, domestic producers of pressed felt for polishing plate and mirror glass are under heavy pressure from imports of such finished felt products from foreign sources. This is especially true since the U.S. duty on animal hair felts and manufactures, which include polishing felts, was reduced 20 percent in the multiple-country tariff negotiations held at Geneva in 1962. The following comparison of imports of such felts and manufactures shows a rapid increase:

U.S. general imports of animal hair felts and manufactures

	8 months, January–August 1962	8 months, January–August 1963	Change
	Pounds	*Pounds*	*Percent*
Belgium	1,175	82,790	+6,946
France	1,607	90,550	+5,535
West Germany	10,198	8,561	−16
Other	505		
Total	13,485	181,901	+1,249

Source: U.S. Department of Commerce, Bureau of the Census, T. Q. 2501.

No comparable reduction has been made in the duty on wools imported by domestic manufacturers of similar products, placing them in an obviously precarious competitive position. The elimination of the duty of 14 cents per pound—clean basis—on the wools to produce these polishing felts in the United States would reduce the cost of manufacturing felts and make the domestic product more competitive.

Enactment of this legislation will enable the domestic felt industry to become reasonably competitive with imports of polishing felt from abroad and will substantially help to maintain employment in this relatively small but important segment of our economy.

This bill would not effect domestic wool growers. According to the Department of Commerce:

The type of wools to which the bill would extend duty-free entry is not produced in commercially significant quantities in this country. Elimination of the duty on the imports of such wools would probably result in a lower raw-material cost for domestic felt manufacturers with subsequent improvement in their competitive position.

Nor would this bill be adverse to our national interests and objectives under the Trade Expansion Act. National policy favors the use of trade-agreement authority rather than direct congressional action for reducing individual import duties, since the former provides an opportunity to seek a compensatory concession. In this case, however, the imports of wool covered by the bill are not separately classified, and at this time it is not possible to determine the value of the trade concession or the likelihood that reciprocal benefits could be obtained. I strongly recommend the enactment of this bill.

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

The bill (S. 2276) to amend paragraph 1101(b) of the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacturing of polishing felts, introduced by Mr. RIBICOFF, was received, read twice by its title, referred to the Committee on Finance, 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 (a) paragraph 1101(b) of the Tariff Act of 1930 (19 U.S.C., sec. 1101, par. 1101(b)) is amended by inserting after the first sentence thereof the following new sentence: "Karakul wools, and other wools of whatever blood or origin not finer than 40s may be entered or withdrawn from warehouse without the payment of duty by a manufacturer, processor, or dealer upon the filing of a bond to insure that any wool entered or withdrawn thereunder shall be used only in the manufacture of pressed felt for polishing plate and mirror glass: *Provided,* That a tolerance of not more than 10 per centum of such wools other than Karakul not finer than 44s may be allowed in each bale or package of wools imported as not fined than 40s.

(b) The amendment made by subsection (a) shall apply with respect to the Karakul and other wools provided for in that subsection which are entered, or withdrawn from warehouse, on or after November 2, 1962, for the use specified in that subsection.

PRINTING OF ADDITIONAL COPIES OF COMMITTEE PRINT ENTITLED "MEDICAL ASSISTANCE FOR THE AGED—THE KERR-MILLS PROGRAM, 1960–63"

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Michigan [Mr. MCNAMARA], I submit a resolution, and ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be stated for the information of the Senate.

The resolution (S. Res. 220) was read, as follows:

Resolved, That there be printed for the use of the Senate Special Committee on Aging Six Thousand Five Hundred and Sixty (6,560) additional copies of Committee Print entitled: "Medical Assistance for the Aged—The Kerr-Mills Program, 1960–1963."

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

REDUCTION OF INDIVIDUAL AND CORPORATE INCOME TAXES—AMENDMENTS (AMENDMENTS NOS. 272, 273, 274, 275, 276, 277, AND 278)

Mr. HARTKE submitted seven amendments, intended to be proposed by him, to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

FOREIGN ASSISTANCE ACT OF 1963—AMENDMENT (AMENDMENT NO. 279)

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MANSFIELD (for himself, Mr. DIRKSEN, Mr. FULBRIGHT, Mr. HICKENLOOPER, Mr. SPARKMAN, and Mr. AIKEN) proposed an amendment (No. 280) to House bill 7885, supra, which was ordered to be printed.

Mr. MORSE submitted amendments (No. 282), intended to be proposed by him, to House bill 7885, supra, which was ordered to lie on the table and to be printed.

CONVEYANCE OF CERTAIN LANDS TO THE CITY OF ROSEBURG, OREG.—AMENDMENTS (AMENDMENT NO. 281)

Mr. MORSE (for himself and Mrs. NEUBERGER) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1203) to authorize the Administrator of General Services to convey certain lands situated in the State of Oregon to the city of Roseburg, Oreg., which were referred to the Committee on Government Operations and ordered to be printed.

CLEAN AIR ACT OF 1963—ADDITIONAL COSPONSORS OF BILL

Mr. MORSE. Mr. President, I ask unanimous consent that at the next printing of Senate bill 432, to accelerate, extend and strengthen the Federal air pollution control program, the name of the Senator from Alaska [Mr. GRUENING] and the Senator from Oregon [Mrs. NEUBERGER] be added as cosponsors.

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

AMENDMENT OF ADMINISTRATIVE PROCEDURE ACT—ADDITIONAL COSPONSOR OF BILL

Mr. DIRKSEN. Mr. President, at its next printing, I ask unanimous consent that the name of the Senator from Hawaii [Mr. FONG] be added as a cosponsor of the bill (S. 1666) to amend section 3 of the Administrative Procedure Act, chapter 324, of the act of June 11, 1946 (60 Stat. 238), to clarify and protect the right of the public to information, and for other purposes, introduced by the Senator from Missouri [Mr. LONG] on June 4, 1963.

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

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 Mrs. NEUBERGER:

Article entitled "Who's Afraid of the Truth?" written by Senator PAUL H. DOUGLAS, published in the Carpenter of October 1963.

Article entitled "The Gruening Report," published in the Near East Report.

THE DROUGHT AND PUTNEY, VT.

Mr. MANSFIELD. Mr. President, according to a front-page story appearing in the October 28 issue of the Boston Globe, the drought is nothing new to the townspeople of Putney, Vt., for the article indicated that this little Vermont town has known one for 210 years. The story relates that many of Putney's 1,150 residents ordinarily travel 4 miles to get drinking water from a roadside spring—regardless of the weather.

After listening to the distinguished senior Senator from Vermont [Mr. AIKEN] extoll the virtues of his hometown—which is almost as world renowned as the Montana School of Mines—and in order to forestall any eruption on the Senate floor, I submit, for printing in the RECORD, an editorial on this subject, from the Brattleboro, Vt., Daily Reformer of October 29. I ask unanimous consent that it be printed at this point in the RECORD.

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

THE FOLKSY REPORTER

A fellow from down Boston way showed up in Putney last week. Said he was a reporter from that there Boston Globe. Which he was, all right. Seems that somebody on that paper of his'n said why don't you go up to Vermont and get us a good folksy story on the drought up there.

So up to Putney comes this city reporter and starts asking questions. We don't know whom he asked, because he got some mighty queer answers. There they were Monday morning with a story right on the front pages calculated to wring enough tears from the Globe's loyal readers to supply all the water the women of Putney would need for their Monday washday, and then some. Just look how the fellow started his report about the quaint folks in our center of learning up the river.

"PUTNEY, VT.—The drought isn't anything new to the townspeople here. Putney has known one for 210 years. The town hasn't had a water system since it was granted its charter in 1753, and folks will tell you that their Yankee neighbors, suffering from water shortages, can learn a lesson from Putney."

Then this city boy, to whom a well curb over a sparkling spring appears to be synonymous with the bed-warming pans of colonial days, goes on to tell how the unfortunate folks in Putney have been scrounging for water for over two centuries. "How is it that in this nuclear age Putney has no water system?" he says he asked some of the residents of this quaint little town. "Never did anything about it," said one resident. "You get used to it," said another. (Notice that laconic Coolidge touch the Boston reporter gets into the speech of Putney folks.)

And as a final touch in his story he reports good Chief Carl Snyder, of the Putney Fire Department, as saying in connection with the present drought and fire danger: "Had a woods fire last Tuesday. Didn't get back until Friday night." This doubtless refers to the fire reported in the Reformer on the Carroll Loomis property, which was a mean one and required attention over a period of several days—but the chief must have been surprised to read what he is reported to have said about not getting "back until Friday night."

Well, that Boston reporter made a "folks" story out of the drought in Vermont—at Putney's expense. Seems that those fellows might learn that a reporter's job is to stick to facts, to avoid distortion, and not to try to construct a fancy story at the expense of a whole community, or of any individuals in it.

Rather than having a drought 210 years old—the truth is that Putney has for 210 years been such a fountainhead of ideas that they overflowed into New York State where Putney's John Humphrey Noyes established the Oneida Colony, into the Halls of Congress where Putney's GEORGE AIKEN has created a kind of Republican statesmanship that should be emulated by more leaders in his party, and into all corners of the Nation and the world where the Putney School, the Graduate School, Windham College, and the Experiment in International Living have made their contributions—aided and abetted by the citizens of Putney town.

There may be a shortage of water right now in Putney, as there is in hundreds of New England towns and cities. But in Putney there never is a shortage of the flow of creative thinking and ideas, more per capita than in almost any other American community.

A good reporter, stranger in town though he might be, and assigned to digging up a drought story, would have stumbled onto that other reservoir that Putney has—even though it doesn't, and like many Massachusetts towns, have a central water supply. But we hope he had a refreshing drink of spring water while he was in town.

J.S.H.

Mr. AIKEN. Mr. President, I deeply appreciate the attention the majority leader has given the town of Putney, Vt., and his comparison of this town with the Montana School of Mines, which we all agree is perhaps the finest school of mines in the world, and has very illustrious alumni which includes the distinguished senior Senator from Montana.

But as regards the article which appeared a week ago in the Boston Globe—to the effect that the people of the town of Putney had been going 4 miles for drinking water for the past 210 years—I feel that I should say a few words.

It appears that this Boston newspaper reporter, having strayed west of Lexington—whether for the first time or not, I am unable to say, apparently kept wandering onward until he came to the town of Putney, Vt., which happens to be my hometown; and, apparently to justify his errant ways, he had to write a story. He noted that there was no central water system for the town of Putney—which, among other things, is considered by many to be the outstanding intellectual center of the country. Apparently he did not know that the hundreds of little boxes scattered among the hills and along the roads there conceal pure springs or artesian wells. The water in my own home comes from a spring 2 feet deep, but it is concealed in such a way that a Boston newspaper reporter possibly would not be able to identify it. I do not know what he thought the boxes were.

It is true that, along with the rest of eastern United States, the town of Putney, Vt., has had something of a drought—although not as bad as in some other areas. Nevertheless, it is possible that a few of the people there who depend upon spring water have had to call on other sources, temporarily. However, I do not think many of them have.

In the article, the reporter referred to seeing people get water at a roadside spring. I doubt that those were local people; probably they were people making their annual trip from eastern Massachusetts to Vermont, to obtain a few bottles of the purest water to be found anywhere, and at the same time to sharpen their intellects by associating with some of the many institutions in my hometown which are referred to in the editorial the Senator from Montana has asked to have printed in the RECORD.

I hope everyone will read the editorial from the Brattleboro Reformer, and will gain a real insight into what the town of Putney, Vt., is, and will make it a sort of criterion for other towns to aim at.

ADDRESS BY SENATOR GOLDWATER BEFORE MASSACHUSETTS REPUBLICAN FINANCE COMMITTEE

Mr. SALTONSTALL. Mr. President, on October 16 my colleague, the Senator from Arizona [Mr. GOLDWATER], honored us by coming to Boston to help us with the problems of the Republican Party in Massachusetts. I had the privilege of presenting him to an enthusiastic group. It was a fine meeting and it was made successful by his presence and that of Mrs. Goldwater, who accompanied him. He gave us an inspiring speech that pointed out clearly the problems that will come before us in the next 12 months and the opportunities that we have to make clear to the people of Massachusetts and the United States the issues we face in determining how our Government will be run. I ask unanimous consent to have printed in the body of the RECORD his excellent speech.

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

REMARKS BY SENATOR BARRY GOLDWATER, REPUBLICAN, OF ARIZONA, BEFORE THE MASSACHUSETTS REPUBLICAN FINANCE COMMITTEE, OCTOBER 16, 1963

It's good to be in Boston and to speak before one audience that cannot be blamed for contributing to the mess in Washington. Fortunately, your great State and your great city have a chance now to do something about the name you've been getting. I look forward to the day when Massachusetts again is respected for its contributions to freedom rather than its contributions to the Kennedys.

The strong Republican organization that you are building and the strength that you are sustaining gives that opportunity in 1964.

A recent article in a liberal magazine referred to Massachusetts as a Kennedy crown colony. Even the liberals have to recognize that what we have now in Washington is a would-be king and a want-to-be dynasty, not a President and a party.

Well, Boston has done it before. It can do it again. It can help prove that, in this Nation, we consent to be governed, we do not elect to be ruled.

Republican victories in 1964 are the answer. Republican victories in the State houses, and local governments, in the Senate and in the House, and in the White House itself.

Seldom before in our history has so much depended upon a single election year.

The choices we must make are not between minor variations on major themes. Our choices are between basic directions for this Nation, for its people, for freedom around the world.

Republican candidates and Republican principles do not offer just another way of doing the same thing. They offer real choices, real chances for fulfilling the American dream—rather than just inflating the New Frontier's pipedreams.

Boston, as in most of our great cities, has problems that must be solved. Democrats say "let Jack do it—or Bobbie or Teddy." All that such solutions cost are votes—but all they buy for Boston will be stopgap answers on the way to total dependency upon Washington.

Republicans know that the Central Government and local goverments must work together on many of these problems. But Republicans know that the solutions must finally be forged of the energies, skills, and talents of the people most closely involved.

Responsibility that is forever delegated up can only succeed in tearing your local responsibilities down. But on the New Frontier local responsibility and local opportunity are sacrificed every day to the thirst for central authority and centralized power.

Who else but a New Frontiersman would have tried to ram a Cabinet Department of Urban Affairs down the throats of our States—despite the rejection of the idea by the representatives of those States?

Who else but a New Frontiersman would prefer government handouts to private jobs as a way of solving our unemployment problems? And who else but a New Frontiersman would fail to read the lesson of failure that such steps are writing today? Our unemployment is growing in tandem with the enlargement of Washington's unreal schemes.

This is no New Frontier when it comes to the problem of unemployment. It is the old, rutted road of the depression days; the frontier of fear and pessimism, of doles rather than doing, of promises rather than productivity, of election expediency rather than economic reality.

And where else but in the Republican Party can we find the clear alternative? Nowhere—for even those members of the Democrat Party who try to resist the spendthrift gyrations of the New Frontier cannot alone adequately bring fiscal sanity to an administration that locks its conservative members in a madhouse of massive spending programs.

Those Democrats who still believe in fiscal integrity would be as well served and supported by Republican victory as would be all in this Nation who believe in a sound dollar, real jobs, honest savings, and the family security based upon them.

Republicans understand the business of America—and they understand American business. The New Frontier does not understand either—and it mistrusts both. The only business toward which they have shown any sympathy is the business of building bureaucracy.

Republicans understand the jobs of America—and the Americans who have those jobs and those who want them. Republicans stand for jobs based upon needed production, not jobs jury-rigged by Federal programs. In other words, permanent jobs, not artificial and temporary jobs.

The Democrat notion of all this is rather like saying that all you need to dig a well is to be thirsty.

Look at their arguments based solely upon ever-increasing consumption. Republicans know that what makes the wheels turn in a free economy is the accumulation and availability of the savings, the capital, to build and to buy the machines and the businesses that produce goods, produce services, produce jobs, and produce the profits to keep the economy moving along. Only on such a base can increased consumer demand have any real meaning. Only on such a base can the earnings of our citizens properly be disposed between consuming what is wanted and building what is needed.

The New Frontier does not trust the people of this Nation to make their own economic decisions any more than it wants to let them make any other decisions. New Frontier planners trust only themselves to spend your money, control your investments, plan your future.

Republicans want to put dollars back in your pockets, for your planning, just as they want to put Government back under your control for your service.

This is a basic choice that we must make at home. Shall we travel the frontier of fear and mistrust? Or shall we trust the people and reject fear of the future?

We have choices just as basic around the world, in our foreign policy. During the 1960 election campaign, President Kennedy stood here in Boston and accused his opponent of believing that, and I quote: "Peace can be achieved through conferences and commissions, through meetings and good-will tours, through special missions and propaganda gimmicks."

President Kennedy said then that "words and gestures, talks and visits, will not bring peace in the future." He said that, if elected, he would, and I quote again: "begin work immediately on a program to achieve peace through strength."

You can take any Kennedy speech of that period and weigh it against performance—and you will come up with an almost absolute zero. The New Frontier is strewn with the debris of promises broken, words retracted, meanings forgotten, and missions forsaken.

But that speech in Boston remains something special—the biggest, most baldfaced deception of all. Kennedy promised strength and he delivered compromise. He promised an end to useless conferences and he delivered a marathon of talk, talk, and more talk.

He referred then to a ruthless enemy bent upon world conquest—and now he delivers the image of a smiling Khrushchev bent upon

nothing more sinister than a visit to Disneyland.

He spoke then of building a retaliatory force invulnerable to attack and then, in his pitchmanship for the test ban, he delivered the decision that an antimissile defense was beyond us.

He spoke then of leading the alliance of free nations but what has he delivered to that alliance? Confusion, chaos, indecision, and the sort of leadership that trusts nuclear weapons more in the hands of our enemies than in the hands of our friends.

He spoke then of strengthening the hopes of those who live under Communist tyranny—but he has delivered the shattering of those hopes through pitiful proposals that simply would divide the world with tyranny and trust to some future century the freedom of the captive nations.

This administration deals freely with the enemy and in so doing it deals tragically with the hopes of freedom.

Where opportunities for freedom appear, this administration prefers compromise to action, prefers inaction to conscience, prefers popularity polls to national security.

For years, we have spent our substance freely to keep nations from the grip of communism. In so doing, we have seriously upset our balance of international payments.

Does this administration come forth with a constructive solution? No. The best they can do today is to suggest that we right the balance by trading with the very enemy we have spent our billions to rebuff.

Does this administration have the wit or the will to demand that freedom's price be paid when freedom negotiates with tyranny? No. It never has and it never will so long as its basic assumptions about the cold war remain unchanged—so long as it abandons positions of strength in favor of positions of political advantage—so long as it abandons recognition of the enemy for what he is in favor of illusions of what it hopes he'll be.

Take a look at the New Frontier's major triumph, the present wheat deal. I readily acknowledge that it will benefit some Americans—particularly the Kennedys and their political strategy. But what will it do for America? What will it do for freedom?

The Soviets usually export about 150 million bushels of wheat—every bushel a weapon in their campaign of political subversion. In the face of the failure of Socialist agriculture, she has now purchased a nearly equivalent amount from Canada, with 19 million more bushels from West Germany and France.

Agricultural experts estimate that these purchases may well have made up her domestic deficit.

It is very possible that the wheat purchased from America will be used almost exclusively to enable the Soviet Union to continue to export wheat; not to feed her own people, but to feed the fires of political subversion around the world.

What do we get from the deal, beyond the dollars to help solve the Kennedy balance-of-payments problem? We get the assurance that if we didn't sell the wheat, others would. Who? Canada's ports are jammed to capacity by their rush to deal with Russia.

No other nation on earth could supply what we are supplying.

We get the assurance that the wheat will be used only in the Soviet. But what of the supplies it will free to be sent abroad? We get the assurance that the Russian people will know where the wheat came from. How? By broadcasts to people who do not listen? By stenciling every grain?

We not only did not demand concessions from the Russians, we did not even take such simple steps as selling the grain only in the form of milled flour which, at least, would have been sent in American sacks.

Do we see, in such actions, any real hope of bringing down the wall in Berlin—of cutting out the cancer in Cuba? No. Instead, we see the bleak prospect of a Soviet bolstered by American largess, consolidating its strengths and still able to strike out against freedom whenever and wherever profitable.

Let's assume that the Russian troops someday will leave Cuba, perhaps in the heat of an American election campaign. Under our present policies, what will that really mean? Under our present policies I think that we can confidently predict that a removal of Russian troops would serve only to destroy any hopes we have of ousting Castro.

This administration already has cut such a pattern. The Soviet is permitted to move ahead many steps, as it did in the missile crisis. Then, when it backs off by a step or two, we relax and claim a victory. What has really happened, of course, is that the Soviet position remains, overall, a step or two ahead. Move ahead two and go back one. It is an old game they are playing, and the New Frontier is playing right along with it.

Where once Castro was intolerable in Cuba, now it is Russian troops that are intolerable. When the troops leave, Castro will be left—and our resolve to oust him will have been lost in administration campaign oratory.

If the Berlin wall is breached or broken, under the present policies, we can confidently predict that it will be because of some retreat on our part not because of the strength which could have, at the outset, prevented it from being built at all.

Look around the world and the same pattern is evident. Laos once was a nonnegotiable key to free world strength in southeast Asia. Then it became a neutralized nothingness. Soon it will be a Communist satellite. At every step, the Communists are permitted to move ahead so far that even if they back up, in return for an American deal, they will back up only to their previously prepared positions.

Tito once was intolerable also. But we bribed him away from the Soviet—we thought. Now he has returned to the Communist fold and we are left, not only holding the bag, but holding on to the illusion that our strategy somehow was effective.

During the Cuba missile crisis we were said to be eyeball to eyeball with the Communists. They were said to have blinked. I think they may have merely winked—for, from that time on, administration foreign policy has winked as well, or merely nodded.

Now is the time of communism's greatest crisis. Great cracks have appeared across the entire slave empire of the Communist tyrants.

Do we seek to widen those cracks? Do we seek to let freedom hammer its message through those cracks? Do we seek actively to erode the Communist strength which is the great peril to the world's peace today?

We do not. We risk the peace and the victory of freedom. We bolster the enemy and agitate our friends. We play precinct politics with the fears and the hopes of the world. But no, we do not do those things. This present administration does those things.

This administration's misguided and mistaken course in foreign policy is not the best hope of the world—it is the best hope, instead, of those who would lull the world and eventually conquer the world.

This administration speaks of peace while it misunderstands and undermines the strength which alone can keep the peace. This administration speaks of peace while it abandons the cause of freedom which, unless won, will lose the peace.

This administration speaks of a world of diversity. They mean a world half slave and half free.

Let Republicans speak of real peace—the peace of justice, the peace of open societies, diverse in their forms but not diverse in their commitment to self-determination, to freedom.

The tools, the skills, the wills to realize mankind's oldest dream, the dream of freedom, are in our hands and in our heritage.

This is not the time to hang back, to seek comfort ahead of a clear conscience.

This is the time to proclaim liberty throughout the land and throughout the world.

Republicans can do this.

In 1964 they will do it—and with their victory will come the dedication, the responsibility, the unity to win the world for freedom and the future for peace.

PROPOSED SALARY INCREASE

Mr. LAUSCHE. Mr. President, today, October 31, a newspaper story related that a committee of the House of Representatives voted approval of an increase in the debt limitation to $315 billion.

On the same day a newspaper story points out that a House committee approved a bill providing for Federal salary increases which would entail a cost of $600 million.

On the one hand, the debt limitation is proposed to be lifted; on the other hand, the cost of Government would be increased.

The wage increase bill would cover judges, Cabinet officers, Members of Congress, and others. As I said, the increase would be approximately $600 million.

In 1946, after World War II, the salary of a Member of Congress was $12,500 a year. In 1955 that salary was increased to $22,500 a year. Now, in 1963, obviously it is contemplated to raise the salary to $32,500. The increase will be 160 percent.

That situation does not generally prevail. If it were not for the fact that we are the masters of our own pay, we would not receive $32,500.

For the benefit of the voters of my State, I wish to say that each year that I am in the Senate I earn a reserve of 2½ percent of my salary as retirement pay. That percentage is applicable to every Member of Congress. In the 6 years I have been in Congress I have earned 15 percent of the $22,500, or practically a $300-a-month pension if I were to retire now.

If I should retire at the end of 6 years from now, I would receive about $700-a-month pension.

Yet it is proposed to increase salaries at a time when our debt is becoming heavier and our supply of gold is diminishing. The pent-up forces are at the breaking point.

In 1215, at Runnymede, taxes caused the citizenry to demand of King John the Magna Carta. Charles I lost his head because of a rebellious attitude concerning the exactions that he was making upon the citizenry.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The time of the Senator has expired.

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

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

Mr. LAUSCHE. England lost its colonies because of the improper taxation of the people. If I know anything about

the psychology of the people of my State I can say that they are in rebellion. Heads will roll, just as the head of Charles I rolled because of the excessive burdens that he was imposing upon the taxpayers.

If we vote ourselves the proposed liberal increase in salary, how will we, in the ensuing years, be able to turn down any demandant? We shall not be able to do so.

I do not know whether the House bill also provides a pay raise for all of the employees on Capitol Hill. If it does not, the next step will be a demand in that field, and we shall not be able to turn it down.

I have before me a tabulation of the method by which the salaries of judges, Cabinet officers, and Members of Congress were increased. I shall not ask to have it printed in the RECORD today, but I contemplate discussing the subject again early next week.

If there are present today in the gallery any newspapermen from Ohio, I ask that they do me a favor and call upon the voters to write to their Representatives and Senators giving their view about the proposed pay raise contemplated to be adopted by Congress. Ask them to tell whether they feel that the proposed increase, which would result in approximately a 160-percent increase since 1946, is justified.

I fear that the people are not adequately acquainted with what is happening. I repeat what the Senator from Oregon [Mr. MORSE] said yesterday in relation to the foreign aid bill. Education is needed. Hence this discussion must continue. If the voters become acquainted with what the Congress contemplates doing, they will stop us. If they do not stop us, they will retire us into oblivion at the election in November of 1964.

I yield the floor.

ECONOMIC PROGRESS IN WYOMING

Mr. McGEE. Mr. President, I am proud to be a part of a long-range movement to spur the economic development of the State of Wyoming. Our concern has been that the vast potential for growth and development in Wyoming and the West will not have been developed into full production by the time the increased demands of the space age are imposed upon our production facilities.

However, there is increasing evidence that real progress is being made. The latest indication of this progress is the recent announcement of the Colorado Fuel & Iron Corp. that it will construct a multimillion-dollar plant to upgrade iron ore concentrate at Sunrise, Wyo.

Mr. President, I congratulate Colorado Fuel & Iron Corp. on its decision to expand this plant. It will mean increased payrolls in our State and is a further indication that modern processing techniques provide the key to the best utilization of the tremendous potential of our mineral resources.

Mr. President, an excellent article on this new plant was published in the Laramie Boomerang on October 27. I ask unanimous consent that this article be printed in the RECORD.

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

C.F. & I. WILL START WORK SOON ON SUNRISE MINE

NEW YORK.—Colorado Fuel & Iron Corp. has announced construction will begin shortly at its iron ore mine in Sunrise, Wyo., on a multimillion-dollar plant to upgrade iron ore concentrate from below 50 to more than 55 percent iron content.

The announcement said the plant is scheduled for completion within a year.

Upgrading the ore will provide a more uniform and physically improved concentrate for the blast furnaces at C.F. & I.'s Pueblo, Colo., plant, the company said. It will allow the use at the Sunrise mine of some low grade ores which up to now were uneconomical to process.

The plant will have a capacity of 600,000 net tons of concentrate a year. It will occupy 10,400 square feet and will stand 78 feet high. It will use gravity methods to remove as much of the worthless material as possible from the ore.

Two methods will be used on the ore beneficiation process. In one, a heavy media separation for coarse sizes, crushed ore will be introduced into a heavy liquid, a mixture of water and finely ground ferrosilicon. Its specific gravity is more than that of the waste material, which will float to surface to be carried away; the valuable material will sink and be removed for further processing.

Two jigs, using water only, will separate the waste material in fine sizes, one-fourth inch in diameter down to 28 mesh, about the size of a window screen opening.

THE MOON AND SPACE PROGRAM

Mr. SPARKMAN. Mr. President, some have suggested that we cut back on our moon and space program because of Khrushchev's announcement that Russia is not going to engage in a race to the moon. For this Nation to change the great scientific program it has undertaken on the strength of the Russian Khrushchev's statement would be sheer folly.

Americans have surpassed other nations in many areas. Our standard of living is the highest in the world. Our economy is the strongest. Our natural resources have been developed beyond those of any other nation. Our people have available the finest hospital and medical facilities of any in the world. This is but a part of the great American story. And, Mr. President, none of this has come about just to outstrip or to win a race with another nation.

Our country leads because of the nature of the American people, a nature which drives us to explore the unknown. And so it is with our space program. No one can really know what value this program holds for mankind in this or another generation. As Administrator Webb said:

The facilities we are building and the technology we are acquiring are tangible assets that will extend benefits to our children and grandchildren. We are clearly demonstrating to the world the ability and determination of our democratic society to organize whatever large-scale scientific and industrial effort is required to meet critical national and international needs in time of peace as well as war.

Our swift progress has now brought us to the point where our space power can be employed in peacemaking as well as peacekeeping.

The penalties and opportunities in space are too great, too decisive for us to begin to take even a first step toward a dance to a Russian tune.

Mr. President, in my judgment, this is precisely what we would be doing if we were to cut back our space program in any respect because of Khrushchev's statement.

We, of course, do not know whether Khrushchev really means what he says or not. After all, his statement from his point of view is quite timely. It comes right at the time when we are considering appropriations for our space effort, not only for exploration of the moon but also for our whole space effort.

Khrushchev might be making it in the hope that it will have a psychological effect upon the American people and cause them to want to draw back on our space exploration.

We cannot afford any such thing as this.

We must carry on and maintain our schedule and see this great undertaking through. To slacken by reason of any statement that Khrushchev makes is unthinkable.

It was only after years of hard negotiation, with careful study and informed scientific advice, that we agreed to a limited nuclear test ban treaty; and in adopting the treaty we did not rely upon Russia's good faith. It was so arranged that if we should decide at any time that she is cheating we can get out immediately. Furthermore, the President has pledged that we will keep our laboratories ready and fully staffed and that we will carry on our underground testing in order to protect our nuclear weapons.

America is winning in her great dramatic struggle for the conquest of space and to open its secrets for the benefit of all mankind.

If we were to quit, to depart to any degree from our carefully worked out plan, then we should indeed be dancing to Russia's tune.

This, let Mr. Khrushchev know, America will never do.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

Mr. MORSE. Mr. President, I shall yield in a moment to the Senator from Wyoming [Mr. SIMPSON], but while the majority and minority leaders are in the Chamber I should like to have their attention for a moment. I well understand the predicament in which they find themselves in receiving many inquiries from Senators as to what the program will be.

I do not know whether I can be helpful, but at least I can state what my thoughts are.

First. I shall not agree to any unanimous-consent request to limit debate on the bill or any part of it, or to fix any time to vote. That does not mean that in the course of the debate, if it should develop that we feel everything has been said that needs to be said on an amendment, we will not then, for the convenience of Senators, agree to fix a time certain to vote on a particular amend-

ment. But we will make no commitments as to that, either.

The Senate will save a great deal of time by following a nonunanimous-consent procedure. Be that as it may, that is our view. It is within our rights, and we intend to exercise them. We hope we do not give too much offense, but if we do, we shall have to bear with that, too.

Second. Before the day is out, we trust the Senate will pass on the question as to whether the bill should go back to the Foreign Relations Committee for consideration, for not more than a week, without any instructions. This is a delicate matter, in the opinion of some. In my opinion, it is not at all. I believe it is the course of wisdom, for the reasons I expressed at some length last night. There should be some discussion behind the executive doors of the committee with the leadership of the Senate, with members of the committee, and with representatives of the executive branch, to see if some agreement cannot be reached, in view of the debate that has already occurred, for some revisions of the bill.

I should like to have that suggestion not come from any of us, but from the proponents of the bill. They have a great opportunity—in the interest of trying to arrive at the most harmonious adjustment possible because of the differences which have developed over the bill—to take it back for not more than a week and give some consideration to it. If the committee decides to report the same bill, that is its privilege. I do not favor suggesting that the bill go back to the Foreign Relations Committee with any instructions other than to set a maximum time limit of not more than a week to report a bill back.

We are hoping—and I am sure the majority leader will not object to my saying this—that the chairman of the committee and the leadership of the Senate will at least give consideration to this suggestion and decide whether they would like to make such a proposal.

If the proposal is not made, we shall make it in the form of a motion. If the motion is defeated, we propose to bring up our amendments one by one in the Senate, debate them only for a reasonable time, and then vote. That being the case, I assume that the Senate will be voting a great deal next week.

Mr. President, is the morning hour concluded?

The PRESIDING OFFICER (Mr. McGOVERN in the chair). No; the Senate is still in the morning hour.

Mr. MORSE. I am sorry. I thought I had been recognized for the speech I am prepared to make.

Mr. MANSFIELD. Mr. President, I was about to try to accommodate other Members of the Senate, but I will speak on my own time in the morning hour.

First, the Senate is indebted to the distinguished senior Senator from Oregon for his frankness. Senators all know where they stand and should anticipate the possibility of votes from today on. We have been put on notice as a body, and we should be prepared to assume our responsibilities, as the Senator from Oregon is assuming his.

The question which the distinguished Senator from Oregon has raised about the possibility of recommitting the bill has been brought to the attention of the leadership and the chairman of the Foreign Relations Committee [Mr. FULBRIGHT]. I am sure consideration will be given to the proposal. I would anticipate the very strong possibility that the proposal to recommit, if made, will be made by the Senator from Oregon. Other amendments will be offered today. The Senator from New York [Mr. JAVITS] has indicated he has an amendment he would like to call up as soon as he obtains the floor, although I understand the Senator from Oregon [Mr. MORSE] is, with the "connivance" of the leadership, to be recognized at the conclusion of the morning hour. The Senator made his statement on the assumption, I am quite sure, that the morning hour had been concluded.

That is all I have to say. Senators are aware of what has been said this afternoon, and should accordingly prepare for a long, hard winter.

Mr. DIRKSEN. Mr. President, apropos of what the distinguished Senator from Oregon has said, in my present frame of mind, I am inclined to oppose a motion to recommit the bill to the committee. The committee started hearings on the bill on the 11th of June. Veterans Day will mark 5 months that that bill has been in the hands of the committee. I think that is long enough. If it has any defects, I think they should be taken up and cured on the floor of the Senate.

The second reason is that time is running out. One need look only at the status of the appropriation bills on the calendar, those in conference, and those that have not gone to conference, to see that time becomes an important factor from now on, because, as the majority leader indicated, there will be a brief Thanksgiving recess, and the Christmas holiday is expected to start on the 20th of December. With that kind of workload, it becomes necessary for Congress to push along. I do not think anything would be gained by sending the bill back to the committee for another week.

Mr. JAVITS. Mr. President, I shall be calling up in due time what I consider to be an extremely important amendment to the foreign aid bill, which I submitted last night bcause I felt it was much better to have it in printed form when I talked about it. It may have an effect on Members of the Senate with regard to a motion to recommit, which I shall oppose, as will the distinguished minority leader, and also toward the reorientation of the foreign aid program.

I refer to my amendment No. 270, the purpose of which would be to establish an Advisory Committee on Private Enterprise in Foreign Aid, which would consider and report on whether great phases of the foreign aid program can be effected through private enterprise. That includes technical assistance. The recommendations of the Clay committee call for this kind of approach.

I am convinced that the reorientation of the program has not taken place, and that we have not adequately considered the utilization of facilities of the private enterprise system.

This amendment, if approved, would be a major pledge that the program is to be reoriented toward the free enterprise system, which is the only way to place the program on the basis on which the American people want it to be placed—that is, out of government and into the private economy. I think it can be done. I shall debate my proposal when the time comes to offer the amendment.

I have great respect and affection for the Senator from Oregon. I hope that sometime today it will be possible for me to deal with the two amendments which I do not put in the same class as the one I have been referring to, but which deal also with the private enterprise system. These deal with efforts to propel our country faster in the direction of arrangements under existing programs to utilize private enterprise and providing opportunities for private investment in the newly developing countries.

I hope the Senator will permit me to call up the amendments in accordance with whatever time arrangement can be agreed to.

"A NEW HAMPSHIRE YANKEE"—BIOGRAPHY OF NATHANIEL LEVERONE

Mr. DIRKSEN. Mr. President, recently there was published a book entitled "A New Hampshire Yankee," which is a biography of a very distinguished New Hampshire man named Nathaniel Leverone, who moved from that State to Illinois, where he not only became prosperous but made great, lasting contributions to the community well-being of the Midwest area. It was my pleasure to write a foreword for this book, and I modestly submit it for inclusion in the CONGRESSIONAL RECORD.

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

NATHANIEL LEVERONE: PIONEER IN AUTOMATIC MERCHANDISING

(Foreword by Senator EVERETT MCKINLEY DIRKSEN)

When a New Hampshire Yankee with a Dartmouth education is transplanted to the Middle West anything can happen. The fission and fusion of Yankee shrewdness and Midwest expansiveness can well produce a human nuclear product with a radiation quotient so great that it can affect an entire generation. Such is the case with Nathaniel Leverone, one of six children, who spent his early life in Keene, N.H., and after exposure to the classics at Dartmouth came to Chicago to conquer larger fields.

It took a little time for this brilliant Yankee to find himself. His first real business venture was the manufacture of automotive parts, long before the days of compact foreign cars and the sleek, shiny, powerful vehicles which today drop from the assembly lines like fruit from a well-laden tree.

At that time, Chicago was booming and so was Chicago real estate. Nat Leverone, knowing that growing with a city was like swimming downstream, organized his own company to concentrate those Yankee talents on Chicago expansion, with rare success. With a built-in flair for winning friends and influencing people, he not only concerned himself with civic and educational

affairs but used an unsurpassed wit, a rare fluency, and an expansive sense of humor to address meetings and groups all over the Nation and develop a national reputation as an after-dinner speaker on many subjects and a presiding officer as well.

But it was in the late twenties that his vision and astuteness truly asserted itself. He could see, where so many others could not, that the bloom was off the realty boom and that other fields of endeavor should be explored.

If anyone believes that automation is some new industrial concept, let him consider Nat Leverone, who more than 35 years ago saw the great possibilities of automation in the vending field. In those early days, vending was regarded by some as a mere novelty, a field of enterprise without dignity or standing where a penny delivered a handful of stale peanuts, a ball of gum with your fortune enclosed, or your incorrect weight. Here then was a field to excite the imagination of a Dartmouth Yankee. He saw automatic vending of merchandise with quality and high standards, and unexcelled service as one of the waves of the future. His imagination conjured up vending machines located in schools and factories, in shops and railway stations, in airports and building lobbies all over the Nation where the correct change could produce a pack of cigarettes or a hamburger, a cup of coffee with or without sugar or cream, a cigar or candy bar, and in fact any commodity that was vendible in a machine.

Thus was the Automatic Canteen Co. of America, brainchild of Nathaniel Leverone, born. What was equally remarkable was that it was born just before the crash of 1929 and had to struggle through that period when values were in a tailspin, fainthearted financiers were jumping out of 20th story windows and a state of material and mental depression hovered over the land like some eerie ghost. From the very beginning, and notwithstanding the conditions which prevailed, Nat Laverone's careful planning gave Canteen a good start and it rapidly expanded to all areas of the Nation. The day came after long and steady growth when Canteen passed the $200 million mark some time ago and it stands out as an impressive monument to the vision, the honesty, the daring, the shrewdness, and the ability of a New Hampshire Yankee.

But interestingly enough, as Canteen grew, so did the many charitable, civic, and philanthropic activities of Nat Leverone. He journeyed everywhere to speak without benefit of fees or honorariums to bring a message of good will. He found time in his busy days for the Goodwill Industries and the United Cerebral Palsy organizations. He found time to organize the National Automatic Merchandising Association as the trade association for the vending industry. When the cry went out during World War II for a scrap iron and salvage drive that the steel mills might continue the production of steel for the war effort, he set a pattern for scrap drives which was widely followed throughout the country and, as a result of this effort, both the Governor of Illinois and the mayor of Chicago asked him to serve in an advisory, nonsalaried capacity.

The new fieldhouse at Dartmouth College which bears his name is but one testimony to the many causes which he has espoused.

One field of activity, however, merits very special mention. Nathaniel Laverone is not merely a Christian by profession of faith. He is a working Christian who has truly taken to heart the admonition of the Apostle Paul to the people of Corinth centuries ago when he said that, of that trinity of virtues—namely, faith, hope, and charity—that the greatest of these was charity.

Few men in the field of Christian leadership have been so active, so generous with time and money and so inspiring by his zeal as Nathaniel Leverone.

Here then is a transplanted Yankee from New Hampshire who has prospered and shared his prosperity; who had faith in his own powers but never forgot the Higher Power from whence our strength and faith comes; who served his country unselfishly whenever the call came; who was dedicated to that climate of freedom and opportunity which made success possible; and who is the living exemplification of what men can accomplish in the moral climate of a free land.

LOSS IN TAXES FROM FEDERAL GOVERNMENT'S ACQUISITION OF LANDS

Mr. DIRKSEN. Mr. President, many requests are made for the Federal Government to acquire lands in various localities to be used for recreational or reforestation projects. Many areas that make such requests have had no previous experience with Government ownership. They fail to see the possible consequences. Others have had experience, and many resist further Government acquisition.

One of these areas is in southern Illinois, and especially in Hardin and Pope County.

The Hardin County Independent, a weekly newspaper, on October 3, 1963, carried in the managing editor's column an account of their experience with Government-acquired land. The message is clear and deserves greater circulation. I ask unanimous consent that the article appear at this point in the RECORD.

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

ON THE STREET CORNER

Hardin County is to receive this year from the Forest Service $1,301. The county received $1,501.20 in the year 1951. The average of the receipts for the 13 years 1951–63 inclusive is $1,364. Based on ownership of more than 17,000 acres this is an income of about 7 cents per acre per year.

Based on the average assessed valuation of so-called marginal land and the present tax rate, the county would have received in taxes the amount of $165,750, over this 13-year period.

This is the cost to the county of Government ownership.

VFW PROTESTS OFFICIAL WELCOME FOR TITO

Mrs. SMITH. Mr. President, at a time when our Nation is engaged in a life and death struggle for survival against Communist aggression, millions of thoughtful American citizens are embarrassed and resentful of the warm official welcome accorded Marshal Tito, the Red dictator of Communist Yugoslavia.

In this connection, it was encouraging, but certainly not surprising, to know that one of our Nation's most thoughtful and patriotic organizations, the Veterans of Foreign Wars, expressed its feelings in a very clear-cut manner. I am sure that the view of the VFW's National Commander, Mr. Joseph J. Lombardo of Brooklyn, N.Y., accurately reflected the feelings of a vast number of our citizens. The VFW, comprising 1,300,000 oversea combat veterans, has been in the forefront of our struggle against communism, and very appropriately Commander Lombardo protested the welcome being accorded dictator Tito.

Commander Lombardo's observations are so pertinent and thoughtful that they merit close attention of the Members of this Senate. Accordingly, under leave to extend my remarks, I enclose the press statement issued by Mr. Joseph J. Lombardo, commander in chief of the Veterans of Foreign Wars, on October 18, 1963, protesting the official visit of Marshal Tito to the United States, and the welcome accorded him by our Government officials.

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

VFW PROTESTS WELCOME FOR TITO

The national commander of the Veterans of Foreign Wars, Joseph J. Lombardo, Brooklyn, N.Y., today protested the U.S. Government's official welcome to Marshal Tito of the Yugoslav Communist regime.

Commenting on the Tito welcome to Washington, Commander Lombardo said, "At a time when the United States, together with our hard-pressed allies, are engaged in a struggle for survival against world communism, such a warm welcome to a Red dictator is highly inappropriate. It was only a few years ago," Commander Lombardo added, "that Tito's antiaircraft guns shot down American airmen. The VFW has not forgotten that needless killing, and we do not think our Nation has either."

"Because Tito had a Communist 'family quarrel' with the Kremlin," the VFW commander added, "his Red regime got billions of U.S. dollars in military and economic aid. However, after receiving such bountiful assistance from the United States, Tito proved he was still a Communist by patching up his differences with Khrushchev. He is once again a welcome visitor to the Kremlin. With the American taxpayers pouring out billions of dollars in national defense to protect our Nation and assist our friends around the world to beat back cruel and ruthless Red aggression, the VFW considers it wrong to heap such public honor on a Communist dictator."

Commenting further, Commander Lombardo said, "When we realize that Tito is accorded official hospitality and a warm welcome to our Nation's Capital while, at the same time, there are persistent reports that the United States is withholding aid in order to put the 'economic squeeze' on the anti-Communist government of South Vietnam which is waging a brave and bloody battle against Red aggression, it makes one suspect that as a Nation we are getting our sense of values badly mixed up."

Concluding, Commander Lombardo said: "The VFW, consisting of 1,300,000 combat oversea veterans, is deeply concerned that the welcome accorded Tito may be indicative of even more widespread wishful thinking that the recent atomic test ban agreement means that the Communists have stopped being Communists and have renounced their determination to destroy freedom and bury us in the process. Anyone who believes this is shutting his eyes to the reality of Communist terror in South Vietnam, to the Red subversion in Venezuela, and the Kremlin conquest of Cuba for the purpose of using it as a base for Red expansion against all the Americas."

THE COAL PROBLEM OF NEW ENGLAND

Mrs. SMITH. Mr. President, I ask unanimous consent to include in the RECORD at this point a letter and a state-

ment provided by the Under Secretary of Commerce for Transportation in response to my questions during the hearings of the Appropriations Subcommittee for Commerce with respect to the coal problem for New England.

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

UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION,
Washington, D.C., October 30, 1963.

Hon. MARGARET CHASE SMITH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SMITH: During the course of the hearings of the Senate Subcommittee on Appropriations on October 24, you raised on behalf of yourself and Senator SALTONSTALL six questions with respect to the New England railroad situation. In accordance with your request, answers to these questions are being furnished for the record. In addition, attached is a copy for your own use. For your convenience, I have also set forth the questions in the order in which they were raised.

You also raised the question of the availability of transportation for anthracite coal originating in Pennsylvania and destined to Maine anthracite dealers. In accordance with your suggestion, a copy of a statement is attached on this subject entitled, "Transportation of Coal From Pennsylvania to New England" which is being placed in the record of the hearings.

In order to help insure that New England will receive adequate supplies of anthracite coal for use during the coming winter, representatives of the Department of Commerce have talked with a number of key people in the area of railroad transportation.

Mr. A. F. Swinburne, car service division, Association of American Railroads, Washington, stated that he was ready to cooperate to help alleviate shortages of railroad cars in specific cases. Insuring adequate distribution of rail cars is the prime duty of the car service division.

Consultation with Mr. T. H. Ramsey, vice president, Reading Railroad, Philadelphia, one of the chief railroads concerned, disclosed a very cooperative attitude. He pointed out that export markets have increased this year and will possibly increase next year for anthracite coal, but that he did not wish this to interfere with New England receiving the anthracite it needs. He likewise promised that he would cooperate in instances called to his attention where adequate service by the Reading was not being rendered.

In addition, talks were held with Mr. Charles W. Taylor, Director, Bureau of Safety and Service, Interstate Commerce Commission. Mr. Taylor stated that he had urged the anthracite coal roads to give preference to the needs of New England. Mr. Taylor stated that he would act on specific instances of poor service called to his attention.

In view of the constructive attitude of these people concerned with insuring the movement of railroad cars, I suggest that when a particular shipper or a particular locality is not receiving anthracite coal within a reasonable time after orders are placed that you call such cases to our attention. Prompt contact will then be made with interested railroad and government people concerned and necessary action will be secured.

Sincerely,

CLARENCE D. MARTIN, Jr.

Attachments.

TRANSPORTATION OF COAL FROM PENNSYLVANIA TO NEW ENGLAND

Coal dealers in certain New England areas have experienced some delays in the receipt of orders for domestic-use anthracite coal. The Department of Commerce and the Interstate Commerce Commission are both aware of this situation. The Department is also in close touch with industry groups which are taking the necessary steps to meet regional needs.

Since the situation underlying this concern is somewhat complex, a background statement follows.

Domestic production and sales of anthracite coal have been declining over the past decade. Prices during this period experienced seasonal declines during the nonheating months, and this led coal distributors to replenish their stocks whenever possible at seasonally depressed prices.

The unusually severe winter experienced worldwide in 1962–63 provided an opportunity for the anthracite industry to reverse its decline by increasing exports, primarily to Western Europe.

The Department of the Interior has assured us that increased production this year will more than cover this increase in exports. In fact, based on year-to-date production and export figures and estimates, the increase in production should be about double the increase in exports.

However, this increased export activity, while advantageous to the balance of payments and the coal-producing industry, had certain effects which were of a less positive character. Some coal distributors did not heed coal producers' warnings last spring, and delayed placing their orders in hopes of a drop in price which did not come. Other dealers correctly foresaw this situation, and increased their normal orders so that they would have a hedge against both a price rise and any later shortage that might develop. Still others did not meet the producers' commercial criteria for good credit risks, and so were not encouraged by the producers to continue their dealings with them.

Thus by late summer, when other seasonal demands for hopper cars were still heavy, dealers in certain areas had unfilled orders of some standing. A complicating factor is the evidence of preferred treatment given to truck trade by the producers. This was brought to the attention of all interested parties, and an industry-policed servicing system has been instituted to apportion service equitably between modes.

The Association of American Railroads has for some time dealt with local and seasonal demands for freight cars by an apportionment process, and continues to do so. They report that there is a local undersupply of cars on the Reading Railroad, the major line in the area. However, those cars which were available were being apportioned to the mines depending on their prior performance, and coal shipments were being made from the breakers. The Interstate Commerce Commission has alerted its agents in the anthracite district to watch this matter closely and will handle any hopper car deficiency directly with the carrier involved.

A meeting of producers and Eastern regional dealers was held last week at which the Department was represented. The Anthracite Institute and the Eastern States Retail Fuel Conference agreed to receive and validate complaints from dealers, and to allocate supplies to areas and dealers according to need.

The present attention which coal distribution is receiving from the Department of Commerce and other public and private agencies with responsibilities bearing on anthracite distribution appears to assure adequate supplies of coal to meet all local needs of the forthcoming heating season. The Department is prepared to take such other action as might prove necessary in event of an emergency, but does not plan to intervene unless it should prove necessary. The Department will of course continue to give close attention to the effects of the present allocation sysem.

ADDRESS BY HON. WILLIAM C. DOHERTY AT LETTER CARRIERS CENTENNIAL DINNER

Mr. BURDICK. Mr. President, Hon. William C. Doherty, Ambassador to Jamaica, returned to the United States to deliver an excellent address on the occasion of the letter carriers centennial dinner on October 26 at the Sheraton-Park Hotel. Ambassador Doherty spent many years representing the interests of the letter carriers and I think it was appropriate that he should return from his official duties to deliver the centennial address. He spoke to the group as "an old postal professional who literally grew gray in the service."

I think the advice he passed on to his fellow postal letter carriers is worthy of your attention.

Mr. President, I ask unanimous consent that Mr. Doherty's remarks be printed in the RECORD.

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

HON. WILLIAM C. DOHERTY, U.S. AMBASSADOR TO JAMAICA, LETTER CARRIERS' CENTENNIAL DINNER, SHERATON-PARK HOTEL, WASHINGTON, D.C., OCTOBER 26, 1963

Mr. Chairman, distinguished guests, and friends, it should be apparent to everyone who knows me at all, that this is one of the proudest and happiest moments in my life.

It is an especially proud moment to be able to share with so many distinguished friends the centennial of city delivery service.

And, of course, I am extremely gratified that this affair should serve as the source from which the scholarship fund, which has been given my name, will grow into being.

When we think of the modest beginning of our city delivery service just 100 years ago—and then gaze upon this vast and glittering assembly, one is almost stunned by the progress achieved during the past century.

There has been a running argument over the years, ever since this country was founded, as to whether the Post Office is a business or a service. However, there is no doubt whatsoever that the whole concept of city delivery was based on the presumption of service—a vital and necessary service to the American people.

The credit of conceiving the idea of city delivery must go to a man who was both a postal clerk and a postal supervisor in my native State of Ohio. His name was Joseph William Briggs, and he was both the assistant postmaster and a window clerk in the Cleveland Post Office.

The Civil War was in full progress and the wives and mothers and sweethearts of the boys in uniform were naturally hungry for word of their loved ones. But, in those days, a citizen had to make his way to the local post office to find out if there were any mail for him.

There was a kind of primitive delivery service in those days, but it was irregular and unofficial. A patron could arrange to have a messenger pick up his mail and bring it to him—for a fee. The system was untrustworthy, expensive and slow, and few people used it.

So—one bitter cold day in Cleveland, in the year 1862, Mr. Briggs looked out at the long line of women waiting in the snow to inquire for their mail, and he had a compassionate thought. Why could not the U.S. Post Office devise a system of delivering letters to the homes of these people?

With Briggs, to think was to act. He devised a system and set up a route for himself. He then walked the route and delivered mail

to the houses. He became America's first letter carrier.

Briggs then wrote to Postmaster General Montgomery Blair and described his experience. Montgomery Blair—a truly great Postmaster General—brought Briggs to Washington and put him in charge of developing the system on a nationwide basis. Congress was finally convinced of the soundness of the idea and passed the enabling legislation. Abraham Lincoln signed the bill into law on March 3, 1863, and on the following July 1, the first letter carriers in history started walking the streets of 49 of our largest cities—delivering mail to our citizens.

There are several aspects of this series of events that are worthy of special notice.

In the first place—just imagine the courage and the imagination and the boldness of the Lincoln administration—embarking on an experiment of such scope and magnitude in the midst of a great Civil War.

Just think of it. City delivery service was inaugurated on the very same day that the tragic slaughter was beginning at Gettysburg.

During my 21 years as president of the National Association of Letter Carriers, I saw administrations many times refuse to consider even the most inconsequential improvements in the postal service—or in the pay and working conditions of postal employees—because of some minor (and often largely imaginary) national crisis. But, here was a case of an administration—at the climax of the greatest crisis this Nation has ever faced—embarking on a bold civilian program of unparalleled magnitude.

And, the second moral to be drawn from these events is this: If the Government offers its citizens a worthwhile service, and makes that service attractive, available, and reasonably priced—it will soon pay for itself.

When the idea of free city delivery was first proposed, the conservatives and diehards in Washington predicted national bankruptcy, ruin, and devastation. However, this new program made the postal service so attractive that people found it almost irresistible. In its first year of being, city delivery cost approximately $300,000. But—postal revenues in that year—which had been steadily declining during the war years—leaped up by more than $3 million. More people started using the mails and they started using them more extensively.

As an old postal professional who literally grew gray in the service, I offer these two observations, Mr. Postmaster General, as something to be remembered in the years that lie ahead of you.

Enlightened boldness has seldom been tried in the postal system—but, when it has been tried it has always reaped great rewards.

And—intelligent regard for improving the service will accomplish more in the way of productivity and efficiency than will all the programs of arid economy ever conceived by the mind of man.

Although the city delivery service was inaugurated on a wave of generous impulses, it is regrettable that I must report that these impulses died down rather suddenly as the new system lost its novelty. During the 1870's and 1880's Postmasters General began to show a marked reluctance toward paying letter carriers a living wage. The original salary was set at $800 a year maximum, and it stayed at that level for 25 years.

This led to the organization on August 29, 1889, of the National Association of Letter Carriers, in Milwaukee, Wis.,

The organization of the NALC had to be carried out with the greatest secrecy, for fear of reprisals from management. As a matter of fact, the organizing convention was held under the cover of the annual encampment of the Grand Army of the Republic in Milwaukee that year—and many of those original organizers—including William H. Woods, of Detroit, the first national President—were wearing the blue of the Union Army at Gettysburg on the day city delivery was begun.

It may interest you to know that this original convention passed three principal resolutions regarding pay and working conditions.

The first called for an annual wage of $1,200 a year. This goal was finally reached in 1907—18 years later.

The second called for a guaranteed wage of $200 a year for all substitute letter carriers. The first guarantee of any kind for substitutes was achieved in 1945—56 years later. And there still is no guaranteed minimum annual wage.

The third resolution called for voluntary retirement—with pension—after 20 years of service. Seventy-four years have passed—and we are still trying to get voluntary retirement after 30 years.

So, you must admit, those early organizers of the NALC were not bashful. They were well in advance of their time—in many ways.

Of course, in those early and formative days, even a Neanderthal man would have been in advance of the social thinking of postal management.

Looking back from these days of happy accord with management—the conditions which have confronted letter carriers and other postal employees over the years seem primitive to the point of savagery.

As I look over this impressive assembly, I cannot help but reflect how impossible it would have been to hold such a gathering as this—until, relatively, quite recently.

In the early days, it took courage to belong to a postal union. Management and the Inspection Service of that time looked upon the National Association of Letter Carriers with apprehension, antipathy, and bitter resentment.

Known members were assigned to the worst routes in their community. Leaders of the movement were fired out of hand for subversive behavior.

In 1903 President Theodore Roosevelt issued the notorious "gag rule" which made it unlawful for a Federal employee, or any group of Federal employees, to write or speak to a Member of Congress on any matter regarding pay or conditions of work.

The penalty for disobedience was instant dismissal.

Although this rule was plainly unconstitutional—since it inhibited the right of petition—it remained in effect for 10 years—until passage of the Lloyd-LaFollette Act in 1912.

It is no coincidence that social gains within the postal employee force were held to a minimum during those 10 years. Postal employees could only complain to postal management which was the cause of the complaints in the first place.

I mention these things because—knowing the prestige and the respect that the NALC and the other postal unions enjoy today—it is easy to take all this progress for granted—as if it had been presented to us on a silver platter.

Nothing could be further from the truth. Every forward step we have taken was fought for, worked for and earned.

It has been a long journey from those furtive beginnings in Milwaukee in 1889 to the celebration of an occasion like this—and it has been uphill every foot of the way.

And, certainly, it would have been unthinkable in the past for so many people—from Government, from management and from labor—to join hands together in a common effort to create college scholarships for the specially talented sons and daughters of letter carriers.

I am delighted and proud that the letter carriers of the Nation voted to put my name on this noble project.

Over the years, letter carriers, and the families from which most of them spring, simply have not had the economic means of sending their youngsters to college.

Even the State universities have been beyond their means—because, in many instances, the financial affairs of the family were so straitened, the youngsters had to become breadwinners as soon as possible.

I can speak with some authority on this subject because, when I was a boy in Cincinnati, Ohio, almost half a century ago, I was forced to leave school in order to go to work, to add my bit to the family income.

My successor as president of the National Association of Letter Carriers and my dear friend, the brilliant and learned Jerome J. Keating, is a glowing exception. He worked his way through the University of Minnesota as a substitute letter carrier—and he even went on to take extensive postgraduate work. But, as Jerry Keating would be the first to admit, the burden was an almost intolerable one, far more than any youngster should be asked to bear.

And I will say here and now that there are precious few people with the determination and the mental and physical stamina of a Jerome J. Keating. I know you will agree that Jerry Keating is one of the exceptional people of our generation. I want to pay special tribute to him tonight as a great friend, a great organization president, and a great labor statesman.

During the more than 30 years that I served as an officer of the NALC I saw so many youngsters of great ability come into our organization—young men who could easily have become doctors, lawyers, business administrators, governmental leaders, scientists, or scholars if they had been given the educational opportunities—and I often wondered how the Nation could afford to continue to squander so many obvious and useful talents among its young citizens.

Mind you, I do not say this in derogation of the letter carrier career. Not at all. The career of a letter carrier is a noble one and it is followed by noble people—people who perform a vital service selflessly and for low pay.

We were and are proud to have these outstanding young men in our ranks and, I am happy to say, they are proud to be counted among our numbers.

But the National Association of Letter Carriers, its members and its officers, are determined that at least some of the children of these outstanding people shall have the educational opportunities that their parents were unable to enjoy.

I am gratified, more than I can say, at finding that so many of the friends of the letter carriers are sharing that determination with us.

As our society has become more specialized, and as it has become more and more endangered by its own inventiveness and ingenuity, we have become more and more aware of the universal need for people thinking, as a basis for our civilization. To survive in this perilous world we must develop generations, not only of scholars and scientists and specialists, but also of human beings with trained minds accustomed to hard and serious thinking. The exact measure of the progress of our civilization has always been the degree in which the common mind has prevailed over brute force. In the world of tomorrow and the day after tomorrow, this measure will be even more exact than it has been in the past. The minimum standards for survival will be higher; the standards for world leadership incomparably more severe.

This scholarship fund which you are making possible tonight will be a small but

definite step toward meeting the challenge of the future.

So, thank you, from the bottom of my heart, for what you have done—what you are doing—and what you are planning to do.

I know letter carriers as well as any man on earth has been privileged to know them. I know from long experience that any effort or money that is spent on their behalf is invariably repaid a thousandfold—in satisfaction, in loyalty, in friendship, in gratitude. I know that—for the rest of your natural lives—you will be proud of what you have contributed to this great and noble cause.

Thank you and God bless you.

FREE ENTERPRISE SYSTEM

Mr. SIMPSON. Mr. President, I have received several telegrams recently illustrating the fear of many people that the Federal Government is embarked on a dangerous program of competition with private enterprise. These telegrams have been signed by some 60 Wyoming citizens.

They voice their trepidation very graphically as they refer to the findings of the Hoover Commission.

The messages all express the sentiment that:

Encroachment by the Federal Government into our free enterprise system, whether it be in the generation and transmission of electric power, lending and banking, insurance, medicine, or any other facility * * * perils the economic foundation of our Nation.

The signers without exception pledged their support to any possible action toward stemming the tide of Government competition with private enterprise.

These telegrams are succinct and compelling. I ask unanimous consent, Mr. President, that the text, which is common to all the wires, be printed in the RECORD.

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

Hon. MILWARD L. SIMPSON,
U.S. Senator,
Senate Office Building,
Washington, D.C.

We, the undersigned, as loyal Americans, are becoming concerned at the open competition by the Federal Government in areas of our free enterprise system. We are aware of the vast number of activities carried on by Government and presented in the Hoover Commission report, which could be handled by private business. We are concerned also at the growth in Government spending on projects which are not always based on sound economics, and tend to benefit the few, instead of the many. Such projects only tend to increase an already unbalanced national budget. We believe that encroachment by the Federal Government into our free enterprise system, whether it be in the generation and transmission of electric power, lending and banking, insurance, medicine, or any other facility that was born out of an emergency condition yet remains after the emergency has passed—perils the economic foundations of our Nation. We pledge you our support, and urge you to take any action possible to stem the tide of Government competition with its citizens.

POLICY DECLARATION OF REPUBLICAN WESTERN CONFERENCE

Mr. GOLDWATER. Mr. President, the Republican Western Regional Conference at its meeting in Eugene, Oreg., on October 13, 1963, adopted a policy declaration and resolutions. This declaration not only reflects the western Republican attitudes but in addition sets forth a declaration of policy to which I invite the attention of all Americans. I therefore ask unanimous consent that this policy declaration be printed in the RECORD.

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

REPUBLICAN WESTERN CONFERENCE POLICY DECLARATION AND RESOLUTIONS ADOPTED AT EUGENE, OREG., OCTOBER 13, 1963

The West was developed by men and women of daring courage and initiative, who devoted their lives and resources to finding and winning from our lands metals, minerals, fuels, timber, agricultural and livestock products in abundance. We reassert our implacable opposition to the philosophy of a socialistic state marked by bureaucratic ineptitude, fiat money, burdensome taxation, excessive concentration of executive power, intimidation of the business community and the control and suppression of news by the Executive. We are convinced that the welfare of the people of this Nation will best be served by adherence to the American principles on which our constitutional form of government is based.

HUMAN RIGHTS

Whereas the present Democrat administration has bungled the natural progress of equal opportunity and freedom of choice for all, regardless of race, religion or national origin, causing strife, violence and bloodshed within our country; and

Whereas the policies of this Democrat administration selfishly consider political aspects first in their approach to further progress in the matter of human rights, while claiming to be great "champions" of individual freedom; and

Whereas for 100 years, the Republican Party has played the dominant role in support of individual freedom and rights of the American people, beginning with Lincoln's Emancipation Proclamation in 1861 and continuing to the civil rights legislation adopted by the Eisenhower administration; and including the first Civil Rights Acts from 1866 to 1871, all passed by Republican Congresses and signed by Republican Presidents; the 13th amendment, outlawing slavery; the 14th amendment, protecting rights of citizens of the several States; and the 15th amendment, assuring every citizen's right to vote: Now, therefore, be it

Resolved, That the Republican Western Conference deplores the exploitation of individual human dignity for political purposes; heartily endorses the Republican record of accomplishments in all areas of human liberty; and urges continued emphasis on freedom of choice and equal opportunity for all Americans.

EDUCATION

The responsibility for providing equal educational opportunities for our children was rightfully assumed by our States. In some instances, however, certain States have failed to meet this responsibility, giving rise to the constant pressure on the U.S. Congress to provide Federal aid to education within the States.

As the education of our children constitutes our most valuable resource, we urge all States to fully meet this responsibility or face the inevitable continued pressure for Federal aid, with Federal controls, over our State educational systems.

TAXES AND FISCAL POLICY

Whereas the Federal budget has soared from $3 billion in 1930 to $99 billion in 1964; and

Whereas the present budget, even at such an astronomical figure, will not cover the proposed expenditures of Government, but will add billions to the national debt which now stands as $307 billion, greater than the debts of all the other governments in the world added together; and

Whereas confidence in the soundness or the dollar is shaken, creating the basis for a run on the gold reserve of the United States, the net short-term foreign claims today being five times greater than the amount of free gold available to satisfy such claims: Now, therefore, be it

Resolved. That the policies of deficit spending of the Democrat administration are dangerous to the solvency of the United States and the health of our monetary system; and be it further

Resolved, That Congress should pass a tax reduction, and simultaneously with such reduction Congress—which has the sole power of appropriating money—should limit its expenditures to anticipated income and thus provide for a balanced Federal budget.

NATURAL RESOURCE DEVELOPMENT AND CONSERVATION

Whereas the Republican Conference of the 13 Western States is keenly aware of the West's rich endowment of natural resources and their importance to the future economic growth of our respective States, and is also fully cognizant of the fact that to realize their full value and benefits will require knowledgeable comprehensive policies with incentives to assure the broadest conservation, development, and utilization of these assets at minimum expense to the Nation's taxpayers; and

Whereas we are gravely concerned over the Federal Government's efforts to intrude unnecessarily, both competitively and through burdensome administrative regulations, practices and policies to displace the traditionally tried and proved reliance on individual or local initiative and enterprise, thereby weakening the Nation's economic base by displacing private tax-producing facilities by a wasteful and needless expenditure of Federal funds; and

Whereas such practices invariably create inequitable favoritism through income tax exemptions, below-cost interest subsidies or preferential treatment to the detriment of local self-reliance and initiative; and

Whereas this progressive trend toward more and more Federal domination and control and the magnitude of its importance to our States is placed in perspective by the knowledge that the Federal Government owns 48 percent of the total land acreage in our 11 Western States, excluding Alaska and Hawaii, ranging from 28 percent of the total acreage in the State of Washington to 86 percent of Nevada, and the fact that Alaska has 98.8 percent of its land in Federal ownership. In addition, we also recognize that these percentages do not include Indian land held in trust and that there are millions of acres of private land the Government indirectly controls through such programs as these under the direction of the Department of Agriculture, which govern production and prices and thus the use of the land; and

Whereas our western conference firmly believes that the Federal Government must be kept in the role of servant, not master, in the tradition that economic and cultural progress flourishes best when built on the principles of constitutional government and the Bill of Rights under which our country was conceived and developed, and that our natural resources such as land, water, energy, mineral, forests, fish, wildlife and recreation assets can, through sound management policies that encourage local intiative and responsibility with balanced but limited government, serve as a foundation of opportunity for a freedom-loving people and a bountiful future: Therefore be it

Resolved, That this convention of western Republicans stands for and will strive to institute the following broad principles as public policy.

1. Water: Planning for water resources and related developments, including flood control and water pollution, must be conducted on a realistic economic basis with representatives of all local, State, regional and Federal interested parties of a river basin participating as full partners, to assure that the most beneficial and efficient utilization of all such resources be developed at the lowest possible cost to the Federal Treasury, and in accordance with State laws, customs and interstate compacts. Direct benefit costs should be shared by the beneficiaries. The indirect benefit costs should be in part shared by the Federal Government and the State or States within whose borders the project is located, to minimize the financial burden on the National Treasury.

2. Federal lands: New concepts of national ownership must be developed which bring together the best aspects of private ownership with Government administration and regulation for multiple use and the creation of useful wealth. Where the predominant values of such lands can be established, the Government should make the land available for private ownership and beneficial use, such as the extraction industries, timber, recreation, etc., unless it is clearly established by all parties and agencies that such is not in the public interest, but in so determining, make provisions that fully recognize the severe financial burdens that Government ownership and continued acquisition of land place on local communities through the removal of such property from productive use and the local and State tax rolls.

3. Public lands, water, and power administration: Congress should legislate the basic administrative policies and principles relating to water, power, public land, and livestock management, development and utilization, and maintain close scrutiny of all agencies responsible for the administration of such programs to assure the Nation that the intent of Congress is realized. In adopting such statutory codes, Congress should make adequate provisions for judicial review of these regulations to assure equitable and impartial protection of all persons' rights, including the rights and jurisdiction of the States. This principle is essential to prevent the continued and unwarranted intervention and growth of bureaucratic government which works to the detriment of local and State economies that are dependent upon the beneficial utilization of public lands and natural resources.

4. Mineral resources: Mineral exploration and research should be encouraged by all levels of government to attract the venture capital that is necessary to maintain a strong, efficient mining and minerals industry in a free competitive economy. The discovery, development, and productive capacity necessary to provide domestic needs and our national defense effort requires a strong, skilled, and experienced domestic industry. To assure this continued development will require the establishment of a realistic minerals program that recognizes the financial risks involved and provides for an adequate return on invested capital. It must encourage discovery, research, and the utilization of modern equipment and techniques. Such a program will require legislative review and revision of both local and national policies and regulations which work to the detriment of our mineral resources development.

5. Electric power: The policy of the Government should be to encourage and rely on private industry to develop the Nation's electric power supply wherever possible. Where electric power is generated in conjunction with Federal multipurpose water development projects, such energy should be sold at fair wholesale rates which will recapture the full cost of the capital investment allocated to power with interest, and in addition make payments in lieu of State and local income and property taxes on a basis comparable to those paid by private industry. The Federal Government should not assume utility responsibility nor enter the nuclear or thermal power field by building steam plants. Neither should it build dams primarily for power generation as such activities undermine and weaken our economic system and place a greater and needless burden on the Nation's taxpayers.

6. Timber: One of our great industries so vital to the western region of the United States has been brought to the brink of disaster by the do-nothing policies of the Kennedy administration. We pledge ourselves to provide the opportunity for American lumber operators to bring about recovery and revival of this industry by providing a proper climate for the free enterprise system. By giving American industry an even break with foreign competition, we know that mills throughout the West will reopen and return men and women to their jobs; and further be it

Resolved, That this resolution be referred to the 1964 national platform committee of the Republican Party in the belief that these policies and principles will work to the Nation's social betterment in providing broader employment and consumer benefits from the West's natural resources industries.

ALASKA

We recognize Alaska requires incentives for development and, because of the present lack of private industry and private capital, it will need Federal cooperation to develop its full potential.

We deplore:

(1) The recent threat to curtail appropriations for natural resource development made at the Western States Democratic Conference against the West if its people continue to elect Republicans to Congress.

(2) The dangerous influence on the Democrat administration resulting from the appointment to high executive office of many members of the Americans for Democratic Action which espouses such doctrines as the submission of the free enterprise system to centralized government planning and direction, the elimination of the representative character of our self-government, the recognition of Red China, the withdrawal of the United States from southeast Asia, the internationalization of Berlin, and the creation of one-world government.

(3) The manner in which the Kennedy administration has mishandled our foreign affairs and specifically in the countries of Cuba and South Vietnam.

(4) The Kennedy administration's policy in Latin America, as evidenced by the fall of governments in El Salvador, Argentina, Peru, Guatemala, Ecuador, Dominican Republic, and Honduras since the present administration took office.

(5) The dishonest effort on the part of the Democrat administration to place responsibility on the Republican minority in Congress for the delay in congressional action, in view of its Democrat majority of 2 to 1 in the Senate, and 3 to 2 in the House of Representatives, and its control of the executive branch of Government.

(6) The intrusion into our traditional fishing areas by Russian and Japanese fishing fleets and urge the retention of the abstention principle prohibiting such fleets from fishing east of the 175th meridian. We advocate congressional action to declare that we claim the Continental Shelf area or the 12-mile minimum limit, whichever is greater, as an exclusive area for our American fishermen.

Members resolutions committee: Mitchell Melich, chairman, Republican National Committeeman for Utah; Walter Hickel, Republican National Committeeman for Alaska; Mrs. Patricia Reilly Hitt, Republican National Committeewoman for California; Lowell C. Paget, Republican National Committeeman for Oregon; John S. Wold, chairman of Republican State Central Committee for Wyoming; Robert D. Timm, Republican National Committeeman for Washington; Keith S. Brown, chairman of Republican State Central Committee for Arizona; Mrs. Henry Swan II, Republican National Committeewoman for Colorado; James E. Murphy, Republican National Committeeman for Montana; and Mrs. George Kellerman, Republican National Committeewoman for Hawaii.

TAX CREDIT FOR CERTAIN TUITION AND FEES

Mr. GOLDWATER. Mr. President, I introduced a bill, S. 2269, providing tax credits for educational expenses and gifts and contributions to nonprofit institutions of higher education.

I am pleased to announce that my distinguished colleague in the other body, Representative TOM CURTIS, Republican, of Missouri, offered a companion bill, H.R. 8981, in the House yesterday. Representative CURTIS, a high-ranking member of the House Ways and Means Committee, has long been concerned with the problems of parents meeting the expenses of providing higher education for their children as well as alleviating the plight of colleges and universities which do not have large endowment funds.

MASSIVE SUPPORT FOR SAVING THE INDIANA DUNES

Mr. DOUGLAS. Mr. President, in a recent editorial the St. Louis Post-Dispatch has labeled as "wise and essential to action" the general agreement which exists among the principal parties in the Senate on the establishment of a national park in the Indiana dunes. S. 2249, the administration bill to create an 11,700-acre Indiana dunes national lakeshore introduced by Senator JACKSON on October 21, is now sponsored by 25 Senators or one-quarter of the Senate, including the distinguished Senators from Indiana, Mr. HARTKE and Mr. BAYH, and eight members of the Senate Interior Committee including Senators GRUENING and MOSS, who have spent time in the dunes and who have been early and stalwart supporters of the proposal to save the dunes. The Post-Dispatch editorial says this massive support for the compromise bill indicates that this unique recreational and nature-study site, located within only a few miles of 6½ million people, at last seems on the way to preservation.

I think Senate passage of S. 2249 can be readily attained, and I hope hearings can be held in the very near future.

I ask unanimous consent that this editorial of October 28 from the St. Louis Post-Dispatch be printed in the RECORD.

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

[From the St. Louis Post-Dispatch, Oct. 28, 1963]

READY ON THE DUNES?

One of the most unusual recreational and nature study sites left in the United States at last seems on the way to preservation.

This is the Indiana Dunes Area on Lake Michigan. Long a subject for political contest between conservationists and economic developers, the dunes now have won massive support through a compromise.

Senator DOUGLAS of Illinois makes this clear in adding his wholehearted sponsorship to a bill to make the dunes a national park. Senator DOUGLAS had fought bitterly against the encroachment in the dunes of steel and other industries. Some Indiana leaders, however, insisted on industrial development. For years nothing was done, and economic pressures advanced against what was once a 25-mile shoreline.

The Budget Bureau this year offered a compromise proposal. It suggested preserving 11,700 acres, including the State park area, as a national park. The figure was even more than that proposed in the Douglas bill. But the Bureau also would permit building a Federal harbor near the middle of the park, under conditions requiring certain private steel and coal developments at the harbor.

Senator DOUGLAS doubts that the conditions can be met; he has no doubt that action is required now to save the remaining dunes. Consequently he and 14 Senators who cosponsored his bill have joined in backing the compromise bill introduced by Senator JACKSON, chairman of the Interior Committee, on behalf of himself, DOUGLAS, and the two Indiana Senators, HARTKE and BAYH.

We think the agreement of these men is wise, and essential to action. Two points commend the preservation of the dunes. One is their uniqueness, not only as scenery but as wildlife and plant laboratories. The other is their relation to 6½ million people within a 50-mile radius. The Rockefeller Commission stressed that the Nation's chief recreational need is open space near the cities. The dunes stand for a kind of utility that is more rare, and more essential, than economic exploitation.

DISUNITY AMENDMENTS

Mr. DOUGLAS. Mr. President, Attorney Arthur J. Freund, of St. Louis, has added to his already extensive exposition of the dangers presented by the three disunity amendments. The Washington University of St. Louis magazine carries an instructive article by Mr. Freund on these three amendments in its fall 1963 issue, which I have previously described as "time bombs" under the American constitutional system.

Mr. Freund has performed a signal service to the country by his leadership in altering the public, members of the bar and political leaders in these amendment proposals, and I ask unanimous consent that Mr. Freund's article from the Washington University magazine be printed in the RECORD.

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

A CLEAR AND PRESENT DANGER

There are three proposals before the American people which would destroy the essential form of our Government as we have known it since the adoption of our Constitution. These are three proposed amendments to the Federal Constitution which, with almost no public notice, have received the approval of many State legislatures. During the crucial period of consideration by State legislatures from December 1962, to mid-spring 1963, the proposals were largely unheeded in the news columns of our press—both the daily newspapers and the weekly news magazines—and were wholly without notice or debate in the halls of Congress or in any public forum. The proposals constitute the most serious attack upon our system of constitutional government in our history and their danger presently persists.

Sponsor of the proposed amendments is the Council of State Governments. At its meeting in Chicago in December 1962, the council approved resolutions for passage by State legislatures to have Congress call a convention to receive these three proposed amendments to the U.S. Constitution:

1. A resolution to amend article V of the Constitution (the amending article) so as to allow the proposal of amendments to the Constitution upon resolutions by two-thirds of the State legislatures, to be thereafter ratified by three-fourths of the States without action by Congress or by a national convention.

2. An amendment to eliminate Federal judicial authority over the apportionment of State legislatures and to eliminate any substantive Federal guarantees affecting this subject;

3. An amendment to establish a "Court of the Union," composed of the chief justices of each of the States with the authority to reverse decisions of the Supreme Court of the United States in matters relating to the rights reserved to the States under the Constitution.

In view of the far-reaching effects of these proposals and the profound changes they would create in our form of government, they have received alarming State legislative acceptance throughout the country.

Twelve States have approved the first proposal: Arkansas, Florida, Idaho, Illinois, Kansas, Missouri, New Hampshire, Oklahoma, South Carolina, South Dakota, Texas, and Wyoming. One house has given approval in Maryland, Mississippi, New Jersey (later rescinded), Oregon, and Wisconsin.

Fourteen States have approved the second: Arkansas, Idaho, Kansas, Missouri, Montana, Nebraska (later vetoed by the Governor), Nevada, Oklahoma, South Carolina, South Dakota, Texas, Utah, Washington, and Wyoming.

One house has given approval in Colorado, Illinois, Mississippi, New Jersey (later rescinded), New Mexico, and Oregon. Four States have given approval to the third proposal: Alabama, Arkansas, Florida, and Wyoming. In four other States one house has voted approval, namely, Mississippi, New Mexico, North Carolina, and Wisconsin.

Twenty-two States will have regular legislative sessions in 1964, and it is possible that special sessions will be called in other States.

The proposals have been characterized by Prof. Charles L. Black, Jr., of Yale Law School, as "radical in the extreme." He points out that they aim not at the preservation but at the subversion of that balance in Federal-State relations which has enabled us to escape the evils of despotism and totalitarianism. In the words of Professor Black:

"They [the proposals] negate one of the best authenticated master principles or our American political being, the principle that we are a unified nation. * * * They constitute collectively, one more attempt, so late in the day, at converting the United States into a confederation."

The absence of general public debate has been as shocking as it has been surprising. The lack of public knowledge on what forces are behind these proposals, the extent and character of the organization which produced them for the Council of State Governments, the nature and sources of the financial and political sponsorship which have given them such great strength before so many of our State legislatures are unknown.

Under article V of our Constitution, an amendment is for all practical purposes proposed by a two-thirds vote on a resolution or both Houses of Congress, therefore to be submitted to the States for ratification. If ratified by three-fourths of the States, the amendment becomes effective. Under the first proposal of the Council of State Governments, the present method of proposing amendments to the Constitution by congressional action would be retained, but an alternative power of amendment would be vested in the State legislatures to the exclusion of Congress. It is proposed that two-thirds of the State legislatures by identical resolutions could present any amendment to the Constitution and that when this initial step had been taken, the proposed constitutional amendment would be submitted back to the State legislatures for ratification. If three-fourths of the State legislatures thereafter ratified, the Constitution would be amended.

Under this system, 34 of the State legislatures could propose and 38 dispose, so that the legislatures of only 4 additional States would be required to act favorably once the proposal had received the sponsorship of two-thirds of the State legislatures.

The danger of this proposal is obvious, as the consideration that State legislatures give to their actions is never one on a national level. The entire sum of discussions by 50 State legislatures does not arise to the point of nationwide knowledge or deliberation. There could be no more striking example of the validity of this view than what has occurred with the proposals here discussed, where not only has there been a lack of general public understanding on this subject but an equally shocking ignorance of citizens even in States where their own legislatures have proposed and adopted one or more of the measures.

This proposal opens the flood gates to those who would eliminate desegregation in the public schools and other public facilities; to those who would pack the Supreme Court or provide different methods for selection of Federal judges; to those who would abolish the Federal graduated income tax, or social security taxes, or aid to programs relating to health and welfare; to those who would grant Federal aid to religious education or deny such aid to any education whatever; to those who would prohibit U.S. participation in the United Nations. The possibilities for special groups to work quietly and beneath the surface for any fundamental change are without limitation, even including a change that would require the Office of President to be occupied by a triumvirate or a committee. As bizarre as these doleful speculations may appear, it is implicit that should the bow of this first proposal be placed within the effective hands of the State legislatures, the first shafts from a taut string will be aimed at the Supreme Court, the commerce clause of the Constitution, the due process and equal protection clauses of the 14th amendment, and the blessings of liberty protected and entrenched in the Bill of Rights.

If this proposal were to become a part of our Constitution, changes could be effected by a small minority of our citizens, for the smallest 38 States include less than 40 percent of our national population. Within those States, 40 percent of the population elect a majority of the most representative branch of the legislatures; therefore, only 16 percent of our national population would be able to effect a change in the type of our constitutional structure and the content of our civil liberties.

The second proposal would eradicate the doctrine of *Baker* v. *Carr* (369 U.S. 186), the now famous legislative apportionment case decided by the Supreme Court in 1962. This proposal would amend the Constitution to provide that no provision therein shall restrict or limit any State in its legislature, and would further provide that the Federal judicial power shall not extend to any subject matter relating to apportionment of representation in any State legislature.

For the most part malapportionment of State legislatures is the rule. In *Baker* v.

Carr the Court held that the Federal district courts have jurisdiction of suits by qualified voters to redress alleged deprivation of their Federal constitutional rights arising from malapportionment of seats in the State legislature, on the ground that such voters are thereby denied equal protection of the laws guaranteed by the 14th amendment. It held in effect that voters' rights in this respect should be of equal weight on the principle of one voter, one vote.

The proposed amendment is designed boldly as legal sanction for States to use legislative apportionment as a means for any type of rank discrimination to determine the composition of State legislatures. It would permit a State legislature to favor or discriminate against specific geographical areas of the State, rural or urban depending upon the legislative mood at any given time, for whatever motive it may have. Not only would the Federal courts be deprived of any judicial voice in such circumstances but the voice of the State courts would be equally silenced in such matters on Federal constitutional grounds. The adoption of this proposal would not only solidify the extreme abuses now prevailing; it would make it unlikely that such abuses would be corrected, and it would be a powerful impetus to initiate even more glaring discriminations.

Curiously, the proposal does not touch upon the malapportionment of congressional districts, although the determination of the districts of the Members of the lower House of Congress is controlled by the State legislature of each State.

This proposal, if adopted, would constitute the first diminution in our American history of any Federal constitutional guarantee of liberty, justice, or equality. It would remove from any Federal control, and from State control based upon Federal constitutional principles, that abuse of power in State government which is most likely to be self-perpetuating, since its correction, absent judicial control, must come from the members of State legislatures who profit by its continuance. It is a sorry contemplation that any legislator, in his greed to maintain an imbalance of legislative power, would wish to solidify that system not only for his own generation but for all generations to follow. For if this second proposal has any purpose at all, it is to retain and maintain inequality in the right of equal suffrage.

The third proposal, to establish a so-called Court of the Union, is a direct attempt to relegate the Supreme Court of the United States to a position far less than supreme. The proposal provides that any judgment of the Supreme Court of the United States "relating to the rights reserved to the States or to the people" by the Constitution may be reviewed by a Court of the Union, composed of the chief justices of the highest courts of the 50 States. Such a review would be possible any time within 2 years after the rendering of a Supreme Court judgment, upon demand of the legislatures of five States, no two of which share a common boundary. The issue before the Court of the Union would be whether the power exercised by the Supreme Court was one granted to the United States under the Constitution. The problems presented in the school desegregation cases, the school prayer cases, and the right to vote cases are only a few of the types of cases which would make of the Supreme Court a mere whistle stop on the way to the final terminus of the Court of the Union.

A majority of that Court, or 26 judges representing their States, would have the authority to reverse a Supreme Court decision of general constitutional import, and the decision of the 26 judges would be final and could not later be overruled by any court including the Court of the Union itself. While the jurisdiction of the Court of the Union appears to be limited, in effect it would attach to almost any Supreme Court decision interpreting a provision of the Constitution. The Supreme Court of the United States would be forever deprived of its essential vitality. The Court of the Union itself would determine what types of cases were within its jurisdiction and there would be no national tribunal to weigh that authority.

The ultimate judicial power of the United States would thereby be transferred from the Court whose members are responsible to the Nation at large to a tribunal whose members would be responsible only to, and partisans for, their own individual States. The chief justices of the States now come to their position by a variety of methods; many are elected by popular vote. Many serve for terms of less than 2 years; many have no life tenure that would permit them to be immune from political pressures of a transient majority in their States; many are unaccustomed to viewing national problems in their total national aspects; and many are hostile by local tradition to the individual members of the Supreme Court.

It is a matter of astonishment that these three proposals, characterized by Prof. Paul A. Freund as constituting "the greatest threat to the existence of our Republic as we know it in our entire history," could have made their way through so many of our State legislatures without public comment and without general notice. Though these measures were introduced in so many of the State legislatures early in January of their 1963 sessions, not even the bar of our country was generally aware of their existence. To be sure, there were forceful and perceptive editorial discussions in the St. Louis Post-Dispatch, in Irving Dilliard's Chicago American column, and in a few other daily newspapers, but not a single comprehensive news article on the subject appeared in the daily press until mid-April of 1963. In the meantime, 20 or more of the States (including Missouri and Illinois) had approved one or more of the proposals in one or both of the branches of their legislatures.

On April 14, the first comprehensive news article on the subject, the beginning of a series written by Anthony Lewis, appeared in the New York Times. On May 6, the Louisville Courier-Journal published an extensive article by Robert L. Riggs on the proposals and their alarming progress. This article was widely reprinted in the daily press throughout the country and appeared in the St. Louis Post-Dispatch on May 8. To the knowledge of this writer, these are the only news articles on the subject of such great national significance which have yet appeared in our general press. By early April, the bar association of St. Louis was the only professional body which had taken notice of the proposals and condemned them.

The pall of silence and public and professional apathy was broken in an address by Chief Justice Earl Warren at Duke University on April 27. Up to that time, no national officer in the executive branch of our National Government or any Member of Congress in either the Senate or the House of Representatives had expressed any view on the proposals. In his address, the Chief Justice did not argue the merits or demerits of any of the proposals, but he did point out that, if adopted, they would make profound changes in the judiciary, the relationship between the Federal and State Governments, and even the stability of the U.S. Constitution. He called attention to the adoption of the proposals by so many of the States "with little or no debate and with practically no recognition by the bar of America." He then said:

"If proposals of this magnitude had been made in the early days of the Republic, the voices of the lawyers of that time would have been heard from one end of our land to the other. The great debate would be resounding in every legislative hall and in every place where scholars and statesmen gather. Surely the problems of America today are as great as they were in those days. Surely the Constitution should be as precious to us now as it was then. If lawyers are not to be the watchmen for the Constitution, on whom are we to rely?"

The Chief Justice repeated the substance of these remarks in an address before the American Law Institute in Washington on May 22. The institute is composed of many leading lawyers, ranking judges of both Federal and State courts, and members of the legal teaching profession, and it was a matter of surprise that within the audience there were many who had never previously heard of the proposals, even when they had received approval in their own States.

However, the wall of silence and apathy had been pierced. President John F. Kennedy expressed his disapproval of the proposals, officials in the Department of Justice were quick to follow, and many Members of Congress gave them extended attention and severe condemnation. Several Governors also expressed personal and official disapproval and no Federal or State official of major consequence has openly expressed his support of them.

Recently, many legal scholars have written and spoken adversely of the proposals, and several bar associations have taken action against them, including the American and Missouri Bar Associations.

We must look upon these proposals for what they are: a clear reaction against recent decisions of the Supreme Court, reflecting a spirit of dissidence and localism which has not appeared since the struggles between the States before the Civil War and the antagonisms of State against State under the Articles of Confederation.

This is not the occasion to defend the Supreme Court from its detractors, but we should be constantly aware that there are many among us who, for selfish ends, would destroy the functions of the Court and the constitutional guarantees it enforces.

The three proposals to amend our Constitution strike at the most vital essentials of our liberty and our freedoms. Let us preserve our blessings of liberty and defeat each of these proposals aimed to destroy them.

BUSINESSMAN URGES TRUTH IN LENDING BILL

Mr. DOUGLAS. Mr. President, the November issue of Harper's magazine contains a most interesting article entitled "How Businessmen Can Fight 'Big Government'—And Win," by Mr. David G. Wood, who until now, at least, has been a public relations man for the steel industry. Mr. Wood suggests that it is about time that businessmen stop complaining about the Government and take some practical direct steps on their own initiative to cure some of the shortcomings in our society and economic system. One of the major abuses Mr. Wood discusses in our present system is credit gouging. A major part of his article entitled "Why Hide the Cost of Credit?" is devoted to discussing hidden credit costs and the need for the truth-in-lending bill. Mr. Wood asks the businessman:

> What honest reason could there possibly be for not informing buyers exactly, in a percentage figure and in dollars and cents, what buying on time is going to cost them?

Mr. Wood continues by lamenting that—

Maybe passage of another law is undesirable—but retailers themselves have shown no inclination to police the situation. Their attitude appears to be, as usual, to get whatever the traffic will bear, which is a remarkable amount if the facts can be disguised well enough.

Mr. Wood urges that honest and ethical businessmen undertake a self-policing effort to disown those guilty of outrageous and hidden credit charges, and he concludes that if they cannot solve the situation themselves—and I might add they have not at least during the past several years—"honest businessmen should support rather than oppose Senator DOUGLAS' bill."

I am glad to see one representative of the business community speak out so boldly for the truth-in-lending bill and state publicly what so many other ethical businessmen have told me privately—that remedial legislation is needed to correct the present widespread abuses in hiding the costs of credit.

I have never been able to understand why honest and ethical businessmen so often go to such pains to protect the unethical elements in their industry. The truth-in-lending bill will only help the ethical, efficient, and low-cost lender. I hope Mr. Wood's plea for more positive businesses leadership, particularly the leadership which would help enact the truth-in-lending bill, will not go unnoticed.

Mr. President, I ask unanimous consent that Mr. Wood's article be printed in the RECORD.

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

HOW BUSINESSMEN CAN FIGHT BIG GOVERNMENT—AND WIN

(By David G. Wood)

(A steel man suggests that it's time for them to stop bellyaching about creeping socialism and to take some practical, direct steps to fix the weak spots in our society—before Washington has to do it.)

I am weary of hearing fellow businessmen attack big government. I'm even more bored with platitudes about defending the free enterprise system. And the charge that nobody understands the role of profits is just as tiresome.

The latter was the theme of yet another speech I sat through at a major college campus last June. It was the annual awards banquet of the school of business administration. The speaker was the director of corporate and public affairs, whatever that means, of a major home-appliance manufacturer in the Midwest. He was out to convince his listeners that profits are the cornerstone of our society. Why senior students and faculty members in business administration, and businessmen from the surrounding communities, should need convincing is a point that escaped me. I guess he was really trying to tell the graduating students to go forth and save our system. The "how" was totally missing, an all too common aspect of these polished, inspirational free enterprise speeches.

I happen to believe so strongly in our free enterprise system and in the importance of profits to that system that I'm convinced they don't need defending. To do so is to state the obvious. That's why the speeches and the advertisements and the commercials and the house-organ articles are so boring.

Our economic system is, after all, a human institution. And no human institution I know of has ever achieved perfection. Improvement should be a goal of all businessmen truly intent on preserving the free enterprise system. But we never seem to talk about improvement when we make speeches. This would involve "how?" It would force us to consider methods and programs and objectives. It would be controversial, and businessmen try never to be controversial. Hence, we are boring.

The director of corporate and public affairs, in his speech at the banquet, cited a typical statistic from Opinion Research, Inc. Sixty-two percent, or something like that, of all Americans think profits are too high. Does this mean profits are too high? Emphatically no, said our speaker, profits are dwindling every year. I work for the steel industry and I wholeheartedly endorse that part of his talk. Does it mean that the American people are being misled by educators and journalists into the belief that profits are too high? Despite the fact he was speaking before a considerable number of educators, our speaker implied that this was the case. He managed by a "we know you're with us" gesture to exclude the business administration professors from the leftist teachers who some businessmen are convinced dominate our campuses today.

At any rate, we were told, we businessmen must somehow overcome the power of the press and the schools and tell the people the truth—that profits are not too high. They are too low. I don't believe the director of corporate and public affairs actually expects us to succeed. Who would invest their money in our corporations if the people did become convinced that profits are too low?

MARXISM, HIGH SCHOOL STYLE

But let's use a little common horsesense. It is ridiculous that any businessman should become concerned for our free enterprise system just because most Americans think profits are too high. Nearly all Americans are consumers first and investors second, if at all. There would be something wrong with human nature if we didn't believe that anyone trying to sell us something is making too much money.

Businessmen also get excited around graduation time every spring because public-opinion surveyors measure the attitudes of high school kids and decide that they don't know much about economics, and what they do know is all wrong. How many times have you heard in a speech or read in some company magazine that high school students somewhere have Communist tendencies? A majority had approved of "from each according to his ability, to each according to his needs." Shocking? Well, the speaker or house-organ editor obviously intends it to be, but I somehow never get very disturbed.

When you stop to think of it, that's a rather practical philosophy for a high school student. After all, his earning ability is very small and—from what parents of teenagers tell me—his needs are very great. If he's smart he's been trying to sell his father on the equity of this doctrine for years. Just before the son of our ex-next-door neighbors in Seattle was graduated from Shoreline High School there, we got a letter from his mother. She reported that he and his senior prom date were "planning a big time with dinner at Canlis if you please." She added, significantly, "We haven't even been there." Seattleites regard Canlis as their more elegant and expensive restaurant, catering chiefly to the expense-account crowd and, apparently, to high school boys wishing to impress their girls. Here is a high school senior willing to spend his father's money in a restaurant his father has always regarded as too expensive to take his mother to. Why should he question a neat idea like "from each according to his ability, to each according to his needs"?

One might argue it is the job of the schools to teach our children that this is a Marxist doctrine and therefore bad. I would answer that we can't teach them to think for themselves by hanging labels on ideas. It's better to let them figure out for themselves that this idea simply won't work in a free society. If a majority of them haven't figured it out by the time they are high school seniors, it is perhaps because teenagers are what they are—a confusing mixture of selfishness and idealism. I think I like them that way.

Permit me to proceed, then, on the assumption that businessmen are wasting their time and energies, to say nothing of their money, on defending profits and the free enterprise system. This is really not such an original idea. On the same subject more than a dozen years ago, Fortune magazine asked "Is Anybody Listening?" and concluded that no one was. Fortune went a step further by suggesting that businessmen were making people wonder what was wrong with the system that it constantly required so much defending.

Improvement, as I have already suggested, is the best defense. Instead of talking so much, businessmen ought to do more. If they did enough, they could quit worrying about big Government. For the past 30 years most of the improvements—if you choose to call them that—in our free enterprise system have been made by the Federal Government. During most of that period Government has drawn its leadership from areas other than the business community. Our governmental leaders have been pragmatists. If a problem existed in our society, they wanted to find a way to solve it without regard for labels or doctrines.

What I'm urging upon my fellow businessmen is to outgovern government. Let's identify problems and bring about solutions before Government is forced to act. Every citizen of a free society possesses this privilege and responsibility. The leaders of a community are especially obligated to act. And businessmen are leaders—or should be. Lincoln was right. Government should do only what citizens cannot do for themselves.

One reason Government has been doing so much is that businessmen have been doing so little. Perhaps we forgot how, during the tremendous scare of the great depression. But that has been over for a long time, and the Roosevelt reforms have not so changed our society that we are incapable of effective action.

What action? That question ought to be answered with a review of all the problems facing our country today and a discussion of what businessmen can do about them. That obviously is impossible here because: (a) I lack the space and (b) I lack the knowledge. I'll just have to satisfy myself that any suggestions made here will be more than the director of corporate and public affairs gave us in his speech.

WHO OUGHT TO PROVIDE JOBS?

One obvious criterion of a successful economic system is its ability to provide enough jobs. Ours is not doing as well as it should. Let's look at my young ex-next-door neighbor once again, the one whose tastes already run to Seattle's most expensive restaurant. As a high school graduate this year he is joining a growing army of young men who are finding it increasingly hard to get work. California's youth-employment supervisor, Robert Hill, called jobless young people "social dynamite." He said in this decade 26 million youths will seek jobs, twice as many as in the 1950's.

Businessmen are going to have to assume more responsibility in getting these young people started on useful careers, especially with on-the-job training. We are demanding too high a skill from beginning workers. The kids complain that no one will hire them because they have no experience and then ask, with undeniable logic: How are we supposed to get experience?

Mr. Hill suggested that some companies might do better to hire fewer engineers, who are in short supply anyway and sometimes become bored with jobs that don't really require their full professional skills. Engineers' aids, who could be trained on the job, might make more sense.

The Peace Corps is a marvelous idea, perhaps the best of the Kennedy administration so far, but the young people we send overseas must have skills if they are to be of any service. We businessmen ought to promote and favor any programs which will enhance human skills, even Government programs. Our businesses will benefit eventually, just as they benefit from public education. Providing all the employment and on-the-job training we possibly can, consistent with efficient operating practices, should be the No. 1 goal of our private economy. Then if we still are unable to absorb the 26 million young people in this decade that Mr. Hill talks about, we must stop opposing Federal and State programs. Serving in a Government-sponsored civilian service corps, foreign or domestic, is infinitely preferable to joblessness. Business opposition to a domestic Peace Corps is the type of irresponsible negativism that causes our fellow citizens to dislike us, ignore us, or both.

Employment opportunities are not the only kind denied many Americans. Negroes lack so many opportunities that theirs has been a second-class citizenship in a society based on equal citizenship for all. This is wrong, and at long last two branches of the Federal Government—the judicial and executive—are taking meaningful action to assure equal rights for everyone.

There appear to be a considerable number of business executives willing to condemn such use of Federal power. Many others (or perhaps they are the same ones) join and finance anti-Communist crusades. Using comparable energy and most likely less money, these same businessmen—through the power they possess in the American economy—could render Government action unnecessary and deliver worldwide communism a staggering blow. Equal status for the American Negro would undermine Communist strategy and propaganda everywhere. This one improvement in our own society could well be enough to turn the tide overwhelmingly in our favor throughout the world. I often wonder why the anti-Communist crusaders don't change into pro-Negro crusaders. They would achieve their goal far sooner than with their present methods.

I would expect the truly responsible leaders of business and industry, however, to work toward equality for Negroes simply because it is right. I wish there were more evidence that they are so working. Undoubtedly, more is being done than the public generally realizes. Because the problems involved are potentially explosive, and because they are not concerned with winning votes, businessmen generally shun publicity in endeavors of this kind. All but one of the white business leaders of Birmingham who served on the biracial committee seeking a solution to the city's conflict, before the bombings this fall, refused even to be identified. They feared economic reprisals, a universal concern of businessmen. "What will my customers think?" is a question usually considered carefully prior to political or social activity. It's a shame Mr. Welch didn't ponder it more seriously before he founded the John Birch Society. If he had run true to business form, he might have decided to refrain for fear of offending all the country's Communist candy consumers.

INVITATIONS TO GOVERNMENT MEDDLING

Even if we were free to publicize our bosses' actions to our hearts' content, it would be most difficult for industrial publicists like myself to convince anyone that everything possible is being done. The results just aren't there. I would welcome, for example, a steel industry report on what it has done to prepare Birmingham for its inevitable compliance with court rulings granting its Negro citizens equal status. After years of enlightened industrial influence, we might logically expect Birmingham to be more advanced in its social attitudes than it apparently is. It simply has to be more enlightened than the surrounding rural areas of Alabama. Yet its recent tragic history (not to mention its international press notices) raises serious doubts.

United States Steel is Birmingham's largest employer and therefore a powerful economic force there. It is faint praise to point out that under United States Steel's quiet leadership and influence Birmingham is a better city than it would otherwise be. A question that repeatedly has been asked, usually by indignant liberals, is, "Why hasn't John F. Kennedy done more about Birmingham?" Conservatives who truly believe what they preach ought to respond with, "Why hasn't Roger Blough done more about Birmingham."

Industrial leaders may have an excuse in the Deep South, where long-established customs, to say nothing of statutes, have precluded any dramatic moves by them toward equality for all. But neither law nor custom exists to discourage action in such enlightened cities as San Francisco.

Sunday, May 26, 1963, was proclaimed Human Rights Day by Mayor Christopher of San Francisco. Some 12,000 citizens paraded up Market Street and held a rally at the civic center to protest racial oppression and demand universal equality. The newspapers described it as San Francisco's ringing answer to Birmingham. Significantly enough for the point I have been trying to make, the march was organized by the San Francisco Church-Labor Conference. Advance stories promoting the observance of Human Rights Day quoted ministers and labor leaders. Business leaders remain silent. Sponsorship did not include the chamber of commerce, or any other business organization.

The parade itself was a responsible, dignified demonstration. The chief of police called it "a heartwarming spectacle." In the words of the San Francisco Chronicle, "They were of all races, but the major races were white and Negro, about 50–50. They were of all faiths—rabbis, Protestant ministers of the Council of Churches, Maryknoll nuns, Christian Brothers, a Jesuit priest. They were of all classes, but predominantly labor."

Are we businessmen too stuffy and self-satisfied to associate ourselves with a gesture of this kind? If we fail to be counted as for anything as basic as equal citizenship for fellow Americans, how can we expect anyone to become excited about Government's intrusion in business affairs? The freedom to raise steel prices would seem of small consequence compared with the freedom to vote, to work, to live (or even dine) anywhere the price is right, to assemble peaceably, or to enroll in the State university.

Instead of seizing the initiative—which is after all one prerequisite of leadership—businessmen permit the Government to lead the way. I work in a major San Francisco office building where the tenant on one floor is a Federal agency. The only Negro white-collar workers in the building—stenographers, clerks, and supervisors—are employed on that floor. The few non-Government Negroes in the building are janitors, cafeteria busboys, and messengers. If Government agencies can find qualified Negro workers, so can we. And we can easily get them because we pay more. But we are not doing so, and we are thereby inviting Government interference into the conduct of our business in a situation where it is right and we are wrong. This is the worst possible position in which to be to carry on a fight against Government regulation, the welfare state, or creeping socialism. Scarce phrases help but little if our policies are wrong to begin with.

WHY HIDE THE COST OF CREDIT?

Also as a matter of right, credit buyers are entitled to fair and honest treatment. Public reports as well as personal experience lead me to the conclusion that they are not getting it. For several years, Senator PAUL DOUGLAS of Illinois has been trying, in vain, to obtain passage of a truth-in-lending bill. A similar bill at the State level died in committee at Sacramento recently. According to Reporter Jack Miller of the San Francisco News Call Bulletin, "the cost-of-credit measure, opposed by a powerful alliance of business interests, was shunted to the oblivion of the assembly rules committee."

What honest reason could there possibly be for not informing buyers exactly, in a percentage figure and in dollars and cents, what buying on time is going to cost them? Maybe the passage of another law is undesirable—but retailers themselves have shown no inclination to police the situation. Their attitude appears to be, as usual, to get whatever the traffic will bear, which is a remarkable amount if the facts can be disguised well enough.

To purchase a few dresses for our daughters at Christmastime, 1961, my wife opened an account at a Seattle store of a well-known national chain. The unitemized statement we received about the first of Feburary was larger than my wife could remember having charged. Investigation showed that $6.09 had been added to purchases totaling $31.64 on an account, mind you, to be paid within 90 days. I wrote a stinging letter to the credit manager in Seattle, which was answered within a week by the credit controller at the firm's executive offices in New York. In it I said the additional charge amounted to 77 percent annual interest, although I'll admit I was a little unsure of my ability to compute it accurately. But the credit controller didn't question that at all. He objected only to my use of the word "interest." He called it a "service charge to partially compensate us for the expense of having a credit office in the store." He would have us believe that his firm is losing money on its credit operation. A "service charge" of 77 percent is merely partial compensation. He added that he disliked having a dissatisfied customer so would settle for our payment minus the $6.09 service charge. In the future, he trusted, we would not want to use his credit facilities. What an understatement.

Legitimate businesses, more interested in selling products than credit, ought to oppose this kind of retailing with all the vigor they can muster. Newspapers and radio stations ought to refuse the sleazy advertising that sustains it. The better business bureau—which, incidentally, received a copy of my letter and made no response at all—ought to disown firms guilty of outrageous and hidden credit charges. If they cannot solve the situation themselves, honest businessmen should support rather than oppose Senator DOUGLAS' bill. Neither the Senator nor anyone else can prevent gullible persons from squandering money, but they can be given all the facts on which to base their decisions. The cost of credit is a fact that should be made crystal clear.

By and large, Government has stayed out of those areas where private citizens, businessmen mostly, have done the job. Cultural activities of all kinds are generously supported by the business community. Federal aid for the arts has been suggested occasionally, but not taken too seriously. Most people probably regard it as unnecessary if not unwise. Higher education—especially the private colleges and universities—has received massive financial support from industry. I suppose educators will never regard it as sufficient, but the corporation (or its

executives) is rare that doesn't maintain a generous program of support for higher education. United funds—conceived, promoted, and conducted by businessmen throughout the country—have provided the money to keep much welfare and social work in private hands. No tax money is used and contributions remain voluntary, more or less. It seems unlikely that Government financing of election campaigns will ever be adopted in this country. Businessmen and others, notably labor unions, have been willing enough to contribute the money for this activity so essential to a democracy. Medical insurance for employees has become a widespread fringe benefit provided by corporations. The only serious talk of Government-sponsored medical care is for retired persons. Which brings up medicare, an extension of social security to include a most obvious need of old age. When industry furthers a lie of the American Medical Association by calling medicare socialism, it offers no solution. Let's find a better one than medicare if we can.

Undoubtedly many business leaders will object to what I have said. Full employment, job training, fair employment practices, equal rights for all our citizens, consumer protection, medical care for retired men and women. I can hear the response of businessmen I know: None of these things is our concern. Our job is to make a respectable profit for our shareholders."

To them I say, "Then stop raving about big government." If private citizens with power and influence refuse to concern themselves with improving our society beyond offering new and better products, they have only themselves to blame if their power atrophies. Negativism is not leadership. And that is what the business community all too often exerts.

Until we businessmen demonstrate some positive leadership in the solution of social and economic problems, I'm afraid the country is better off in the hands of the politicians and their allies, the labor leaders and the intellectuals.

PERIODIC CONGRESSIONAL REVIEW OF FEDERAL GRANTS-IN-AID

Mr. MUSKIE. Mr. President, on September 4 I had the privilege to introduce S. 2114, a bill to provide for periodic congressional review of future Federal grants-in-aid to States and to local units of government. Twenty-seven other Senators initially cosponsored this legislation. During the subsequent 7-day period that the bill lay on the table, both the senior and junior Senators from Wisconsin joined this distinguished list. And recently the name of the junior Senator from Indiana was added by a unanimous-consent agreement, bringing the total number who have endorsed S. 2114 to 31.

In my remarks accompanying its introduction, Mr. President, I cited some of the basic reasons for my support of this legislation. It is appropriate at this time, however, to present a more detailed explanation of my strong commitment to this measure.

The need for periodic congressional review of Federal grant programs has been pointed out by: First, the so-called Kestnbaum Commission in its June 1955 report entitled "Commission on Intergovernmental Relations, a Report to the President for Transmittal to the Congress"; second, the House Committee on Government Operations in its "30th Report: Federal-State-Local-Relations, Federal Grants-in-Aid"—House Report No. 2533, 85th Congress, 2d session, 1958—and, third, by the Advisory Commission on Intergovernmental Relations June 1961 report entitled "Periodic Congressional Reassessment of Federal Grants-in-Aid to State and Local Governments." The August 30, 1963, Congressional Quarterly—Fact Sheet on grants-in-aid, which the distinguished minority leader inserted in the CONGRESSIONAL RECORD on September 3, and a draft report of the Advisory Commission on Intergovernmental Relations on "The Role of Equalization in Federal Grants-in-Aid" provide much-needed updated information on the operation of these programs and, in effect, additional arguments in favor of S. 2114.

What, then, are the basic reasons for seeking the enactment of this measure? On September 21 of this year the President of the United States declared in an address to the Fifth Annual Conference of State Legislative Leaders in Boston, Mass.:

> The indestructible union of indestructible States, created by the Constitution, has been envied and imitated by many other nations. It is the best system yet devised. We have to make it work. It should have constant attention.

Mr. President, all of us can agree with this wise counsel. Further, since the Federal grant-in-aid has become the most important single manifestation of today's elaborate intergovernmental relations system, all of us should be cognizant of the need for more constant attention on the part of the Congress to this indispensable feature of contemporary federalism. For those who are unaware of the scope of these programs or who deny the need for this special congressional scrutiny, ponder a few of the statistics relating to these Federal grant programs.

In the first place, we have seen a significant increase in the number of these programs in recent years. According to the Advisory Commission's latest figures, some 59 grant programs are now in effect. This number could be expanded or contracted, depending on the extent to which particular categories are separated. Most authorities would agree that this is a modest estimate, however. Of these 59 programs, 9 were enacted prior to 1930, 12 between 1930 and 1939, 2 during the 1940–45 war years, and 36 from 1946 to 1962. Included among the many programs enacted since the end of World War II are such important grants as those for urban renewal, education aid to federally impacted areas, national defense education, airports, hospital and medical facilities, sewerage facilities, and public works acceleration. Eight new programs alone were enacted by the 87th Congress, and the present Congress is considering still others.

In discussing the increasing number of Federal grant programs, a frequent impression is that, once initiated, a project never ends. This is not wholly true. The record indicates that from 1938 until the present, some 14 grant-in-aid programs have been terminated. Such action, however, is the exception, not the rule.

This expanded use of the grant-in-aid as a technique of implementing the cooperative Federal ideal is further reflected in the growth in dollar amounts expended for these programs. Beginning in the 1930's, Federal grants totaled about $200 million a year. Depression programs and social security legislation, including Federal work relief operations, raised the figure to the $2 billion level, but this declined to less than a billion during World War II. Total Federal payments to State and local governments, which are somewhat larger than grant-in-aid payments alone, rose from $2.7 billion in 1954 to almost four times that figure—$10.4 billion—10 years later.

Although the number and variety of Federal aid programs have increased significantly in the past decade and a half, it must be remembered that more than 60 percent of total expenditures in 1964 for assistance to State and local governments will be for highway construction and public assistance grants. As all of us know, during the past 10 years highway construction grants have increased more than sixfold and public assistance grants have doubled.

Another way to gage the expansion in Federal aid programs in recent years is to examine what percentage of total State and local revenues is provided by Federal grants. In 1902, for example, Federal aid programs constituted seven-tenths of 1 percent of the total general revenue of State and local governments. The proportion increased to 3 percent by 1932, and to 6.9 percent in 1946. By 1954 the Federal share stood at 10.2 percent and a decade later, at 13.6 percent.

When these growth rate figures are viewed from other vantage points, they appear less spectacular. When Federal aid to State and local governments is examined in terms of its proportion to the total Federal administrative budget, for example, the jump between 1947 and the estimated figure for 1964 is 4.3 to 6.7 percent. Similarly, in terms of the Federal budget expenditures for civil functions, the grants-in-aid share of this figure stood at 29.8 percent in 1947 and an estimated 30.7 percent in 1964. The grant programs' percentage of the Federal administrative budget's civil functions—which excludes defense, space, veterans, and interest cost—has averaged more than 25 percent most of the years since 1947 and never fell below 20 percent, nor rose above 36 percent. Furthermore, during the 15-year period from 1948 through 1963, when Federal aid expenditures rose $7.7 billion, State and local expenditures increased more than $45 billion.

In considering this growth in Federal aid, it is always important to remember that at least two of the large programs—Interstate Highway System and Unemployment Compensation and Employment Service Administration—are in many respects national rather than State programs which are financed from earmarked Federal taxes levied for these specific purposes. Moreover, in examining the many reasons for this increase, we must recognize that the postwar

growth in national production, population, urbanization, and standard of living has had a tremendous impact on the American people's needs for governmental services. The limitations experienced by the States in financing these needs out of their own revenue sources must also be weighed in any objective assessment of this development.

No matter what statistical norms we use, no one can deny that there has been an increase in the number, scope, appropriations, and overall significance of Federal grant-in-aid programs in the past decade and a half. The grant has become the most dynamic symbol of that sometimes overworked but still meaningful term, "cooperative federalism." Yet, the grant-in-aid is subject to severe criticism in many quarters. Some see it as the great subverter of our traditional Federal system. With this viewpoint I disagree. At the same time, it is essential—in light of the figures that I have presented and the recent admonition of the President of the United States—that Congress give "constant attention" to those facets of our intergovernmental relations that come within our constitutional mandate.

In my opinion, one of the most meaningful ways of providing this muchneeded "constant attention" is to enact this periodic review legislation.

Under S. 2114, any new grant program hereafter enacted by the Congress would automatically expire at the end of 5 years unless an earlier date was specifically provided, or unless application of the act had been specifically waived in recognition of the intent to provide continuing Federal assistance in a given program. This measure provides that the appropriate legislative committees shall, at the end of 4 years, address themselves to these basic questions:

First, the extent to which the purposes for which the grants-in-aid are authorized have been met;

Second, the extent to which the States or political subdivisions thereof are able to carry on such programs without financial assistance from the Federal Government; and

Third, whether or not any changes in the purpose or direction of the original program should be made.

Existing grants would not be covered by the proposed legislation, but all of us hope that such programs would be assessed periodically by Congress and the executive agencies in terms of the same criteria set forth in the bill. I am convinced that this legislation will facilitate the modification, redirection, or termination of grants whose purpose has been changed due to circumstances occurring subsequent to its enactment. Few would presume to claim that Congress now possesses a systematic procedure by which to determine whether a grant program is achieving its objectives, or whether it should be redirected in emphasis, or whether it should be terminated or extended. Witness the fact that many grants still possess outdated features and only 14 such programs have been terminated.

This proposed legislation would achieve other beneficial results. Through periodic review, it should be possible to spur the development of standard criteria by which Congress and its committees can determine what problems can or cannot be solved by the use of grants-in-aid. By having a statutory requirement that the congressional committees review grant programs within their jurisdiction at least every 5 years. Committees will also be prompted to reexamine the many, inflexible financial and other provisions which recently have created so many problems in grant programs at the State and local level.

The failure to reassess fully these grant programs at appropriate periods may result in an unnecessary burden and cost to the Government and to the American taxpayer. Periodic review, however, could enable Congress to make a better allocation of public funds and to meet changing patterns of need—both at the State and local levels. Unnecessary expenditures obviously occur if programs continue after there is no longer a clearly recognizable need for them.

Enactment of this proposed legislation, in my opinion, would actually strengthen the programs subject to its provisions in that they should achieve better public understanding and support than many of the existing ones. The record clearly demonstrates that programs with a built-in periodic review provision have rarely suffered as a consequence. In the same vein, while periodic review may allow critics to get another chance to defeat the legislation, it could also force Federal, State, and local officials to marshal more effectively their forces in defense of a particular grant program. This could have two salutary effects. First, the realization that a comprehensive review will be made every 5 years could lead to a renewed awareness of the importance of good administrative practices. In addition, many programs which are taken for granted will impress themselves more on the minds of local officials who, for lack of information, tend to underestimate the significance of Federal grant programs operating in their community.

Periodic review under S. 2114 would affect grant programs enacted after January 1, 1965, and then only those extending over a period of 4 or more years. Congressional committees would not have the burden of examining existing grants-in-aid. They would have sufficient time to properly conduct hearings on the operation of each future program. As a practical consideration, many interest groups, for obvious reasons, would oppose having all existing grants-in-aid subject to this kind of review. Such opposition could endanger the fate of this bill.

In restricting the scope of this legislation to future programs, the bill will facilitate an objective reevaluation of grant programs before the "forces of the status quo" become so strong as to make difficult, if not impossible, any redirection or termination of a given program. A grant intended solely for incentive purposes unfortunately carries with it the hazard that many interests may resist termination once the Federal objectives have been achieved. This measure successfully circumvents this problem.

In assessing this bill, it must be remembered that the integrity of the whole grant-in-aid concept depends upon the application of some policy of constant review. Failure to reassess regularly the need for these programs could cause the eventual breakdown and collapse of this approach to solving problems that require joint action. Use of the grant-in-aid has permitted our Federal system to remain a vital and flexible system of governing, while insuring that needed services are performed for its citizens. If the grant-in-aid remains the subject of intense public criticism, then the Federal Government may be forced to intervene directly. This can only undermine our present cooperative arrangements.

In the final analysis, this legislation is designed to make Congress more mindful of its clear responsibility of doing a thorough job of reappraising these programs. If Congress accepts this duty, we will provide that "constant attention" that the President sanctioned so strongly in his Boston speech. If we succeed, both the Congress and our Federal system of government will be strengthened.

ECONOMIC GROWTH A MATTER OF CAREFUL GOVERNMENT ATTENTION

Mr. HUMPHREY. Mr. President, a matter of increasing debate and concern among us is the growth issue as it applies to our economy. Our economy does seem to be moving again. The gross national product is reaching a new high. We are in a period of the longest sustained growth without recession in recent years. Our problem seems to be that it must grow even faster, if we are to handle the unemployed we have presently, if we provide for the new millions coming on the labor market, and if we are to afford essential domestic services to our people as well as keep up our defense-security system.

Soon we shall be taking up a tax bill which is designed primarily to meet this problem. I am going to have much to say myself on the allocation of our defense contracts. I am particularly interested in the disposition of research and development funds, both in industry and in our higher educational institutions. I wish to examine how we can take steps to see that what we are doing to stimulate the knowledge explosion really does spill over to our vast private sector and help it grow to meet our needs.

The main point is that there is a Federal responsibility.

Here I wish to call attention to some points made in an excellent article by Barbara Ward, the British economist, in the New York Times magazine for October 27, 1963:

First. This economic growth problem is a new one in Western politics. It is thorny, but it represents options society never had before. For millennia societies were trapped in a subsistence economy in which the outer limits were fixed by available land and water. Having reached those limits, the population was

driven back by declining output, fragmentation of holdings, starvation, banditry, and war. Today technology gives us both the hope and the means of escaping those alternatives.

Second. Even though it is a response to war situations which has done it, it has been demonstrated that Government action is important in sustaining a high level of demand for goods and thus stimulates growth. Russia chides the West for this, but Miss Ward points out that whatever achievement the Soviets have to show in economic growth springs from the fact that they treat their economy as a war economy. They have a vast program voraciously ordering capital goods for further expansion.

Third. The West must achieve growth in the context of peace not war. Further, Government activity in the West must be such that it avoids inflation on one hand, and the creation of the "overmighty" state on the other. Not being worried about an "overmighty" state, because they do not value individual freedom, the Soviets can suppress inflation by suppressing free initiative. It perpetuates them however in a true war economy.

Fourth. Several countries in the West have been developing some wholly new techniques of economic planning and forecasting. They are using some of the new techniques of technology to make available to society, without oppressive regulation, a sense of scope and direction which can transform the private businessman's sense of opportunity. It is precisely growth in this sector upon which free societies depend.

Fifth. To avail ourselves of some of these means however, requires shedding some rigid orthodoxies of the past about how Government can act upon the economy. Here Miss Ward makes a most important observation:

> It is a sobering thought that 34 years ago—when budgets were small and generally balanced, when unions were unorganized and taxes low, when business did its own forecasting and the market reigned supreme—in short at a time of very considerable laissez-faire, there occurred an almost total collapse of demand in Western markets which in turn introduced the worst depression in the history of capitalism.

Sixth. The buoyant growth of the last decade which has put communism on the defensive, cannot be relied upon itself to continue unaided. If new policies—peaceful policies—to aid growth are rejected, the old collapse of demand, the old disarray of the West, the old resurgence to extremism may return.

Many of our new problems wear an unfamiliar face. They cannot be ignored because of that. We dare not ignore the examination of new policies to meet them. We must move creatively into a new situation. I ask unanimous consent to have Miss Ward's article included in these remarks.

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

THE WEST DEBATES THE GREAT GROWTH ISSUE

(By Barbara Ward)

Western interest in growth tends, like the Western economy, to fluctuate. Last year when growth in Europe seemed to be slowing down and growth in America and Britain refused to speed up, voices were raised warning the West that generation stagnation and decline might lie ahead.

This year, apart from some concern about the level of industrial investment, Europe seems to have recovered its confidence. Britain is consciously set on expansion. The American economy seems to be "moving" again. So the anxieties have lessened. Yet concern will return at the least sign of flagging confidence. In any case, too, the disparity in rates of growth between various groups of countries is so great that the subject is interesting in itself, quite apart from its more apocalyptic implications.

In simplest terms, the debate about growth concerns this question: On what scale should a society add, each year, to its existing stock of goods and services? Is the average expansion of 2.5 percent of national income registered in Britain and America for the past 8 years enough? Or should economies aim at the 5- to 6-percent rate of growth of Western Europe? Or the 7 to 8 percent claimed by the Communists? Or the fabulous 10 percent actually achieved by the Japanese?

The question of more rapid growth is a new one in world politics. For millennia it never arose. All human societies were trapped in the subsistence economy in which the outer limits were fixed by available land and water. Once population reached those limits, declining output, fragmentation of holdings, starvation, banditry, and war drove the population back to a level the land could support. It was from this universal trap of the subsistence economy that Western science and technology rescued mankind.

Today the essence of the effort for growth made by the developing nations is to follow the Western World and Russia out of the subsistence age of static agriculture and marginal industry into the infinitely wider opportunities of modern technology in all its forms. Those developing nations are still short of everything—savings, skills, markets. They are on the bottom rungs of the ladder of modernization, where problems of supply dominate every aspect of the economy. Their need to grow is absolute, for growth alone conquers shortages.

But if the need for developing economies to grow as rapidly as they can is obvious, what of the fully modernized states? So rich already, do they need to become still richer, and to become so faster? An average citizen of India subsisting on $60 a year can barely fail to want more. But an average American family income is over $5,000 a year. What, in such a context, is the argument for more rapid expansion?

The first point to be made is that rich nations are, after all, not uniformly rich; both Italy and the United States have their Deep Souths. Secondly, rich countries do not entirely escape the dilemmas of a growing population and rising unemployment, as more adolescents arrive in the labor market and automation steadily cuts the demand for unskilled and semiskilled labor. If, as in America, many of these youths are colored, really explosive dangers begin to build up.

Another point: If the poorer countries are to grow, they must sell, at a reasonably high price, to the richer nations, and the prices they get for their primary produce—cocoa, coffee, tin, tea—depend on prosperity in the developed West. If the West settled down to, say, a steady 5-percent rate of expansion, primary prices could find a rather higher level than the still generally depressed prices of today. And higher prices would do more to underpin sustained development than any Western aid or investment.

At the same time, an expanding West depends on a steady increase in markets. For Western markets gradually reach saturation. In a real sense, the growth of the developing nations is an important precondition of sustained economic buoyancy in the West.

Perhaps the best route toward a solution to the whole growth problem is to look at the developed economies during their most recent period of rapid expansion and ask whether they had anything in common at that point. One can take Japan and Western Europe in almost any year since 1955 and examine Britain and America before 1954. What their economies shared in their years of rapid growth was, above all, one thing—a high level of demand, sustained when necessary by the actions of government.

The jump in arms spending for the Korean war, coupled with the final phase of postwar restocking, gave America its last experience of demand high enough to employ, even overemploy, all its resources. A similar, though lesser, boost gave Britain's Conservative Government 2 or 3 years of "Tory prosperity."

In the countries of high growth rates, one can observe a combination of high private and public demand similar to that of the United States during the Korean war. The private demand comes from the surge toward consumer durables, the public demand from the readiness of governments to pump, whenever necessary, more demand into the economy, either by direct public spending or indirectly by tax reliefs—both routes leading, temporarily, to an unbalanced budget.

Proof that governments in developed countries can increase the rate of growth by creating a greater urgency of demand is to be found quite simply in the West's experience of the war economy. In 4 short years—between 1940 and 1944—the United States doubled the size of its industrial base. So large was the expansion that civilian standards could increase in spite of the overwhelming concentration on arms, and the postwar economy started at a new high level of capital equipment.

Nor is the proof only to be found in Western experience. In one sense, any achievement the Soviets have to show in rapid growth springs from the fact that they virtually treat their economy as a war economy, with a vast governmental program voraciously ordering the capital goods for further expansion.

In fact, the evidence for the belief that governments, at least in large and developed lands, can stimulate growth by stimulating demand is so generally accepted that not wild-eyed radicals but sober working parties attached to the Atlantic Community's Organization for Economic Cooperation and Development have stated dogmatically their belief that sustained demand is the key to growth and governments can put their hands on the key.

At this point, some people may begin to wonder what all the fuss is about. We need growth. Demand stimulates it. Governments can stimulate demand. Then why not cut the debate and get on with the stimulus?

The matter is not, however, so straightforward and painless. In fact, there are two major hurdles to be overcome—at least in the West. The first is the risk of inflation; the second is the risk of creating an "overmighty" state.

Neither risk can be shrugged off. In economies operating at a high level of activity the historical tendency is, at least in the short run, for all resources to become scarce and for their prices to rise. If industrialists are all bidding for labor and materials, the cost of both goes up. At some point, they begin their squeeze on profits and hence on the capital accumulated through profits. At some further point, falling profits lead to lower investment and a general reduction in activity. Such was the pattern of the old-fashioned boom and bust.

But the busts at least lowered prices. If, in the future, it is to be all boom and no bust, may not steadily rising prices finally lead to deepening inflation, undermine all confidence in the currency and thus lead in the end to a worse crash by a rather longer route?

Nor should one forget the international repercussions. If trading and exporting nations allow their costs to go uncontrollably up, other nations' goods will be more competitive. Imports will increase, exports will decline and the economy, like a horse too sharply reined in, will be pulled back on its heels by vanishing reserves and a balance-of-payments crisis. One reason for Britain's semithrottled condition in recent years has been the speed with which domestic expansion has led first to inflation and then to a flight from sterling.

Yet the answer cannot be to clamp down on all wage increases, since rising wages are the chief means of keeping demand in step with the fabulous productivity of the new technologies—our new machines in fact threaten to turn us all into sorcerer's apprentices watching helplessly while our markets are flooded with rising output.

The second fear—of increasing and excessive government regulation—has fewer facts to support it. No developed community has slipped into total regimentation by small, cumulative steps. Communism has triumphed only in relatively underdeveloped societies and usually by force in a coup d'etat. Facism imposed its control on developed nations in a state of crisis brought on, in Germany at least, not by too much government intervention but by the massive and prolonged unemployment resulting from too little.

Yet one can still admit in theory that steady state stimulus to demand could bring about so intricate an involvement of government in every aspect of businss that the free economy, as we know it, would be no more. Soviet planning, which is usually what people have in mind as a horrific norm, does entail just such interventions. Its example suggests that a wholly state-directed economy without alternative sources of employment and decisionmaking would be a very uncertain base for political freedom.

In fact, no Western advocate of more rapid growth seeks such complete intervention. But the fears exist. Before, therefore, one can determine the prospects for growth in the relatively unregulated economies of the West, these two formidable objections have to be met.

To begin with inflation, probably the decisive element in the postwar variety has been the pressure of wages, revised upward almost every year, on industrial costs and hence on prices. Where, as in Germany until 1960, labor bargainers felt the restraints imposed by memories of catastrophic inflation in the past and by the current arrival of thousands of refugee workers from East Germany, there was little pressure for large wage increases. Expansion without inflation—of the order of 6 and 7 percent a year—could go ahead. But in recent years, German labor costs have gone up by about 40 percent and cries of alarm echo from Bonn and from business. In France, too, the threat of inflation has become very real, and the Government has recently moved to meet it.

What is needed is not a general check on all wages but a rate of wage increase which on the average—some expanding industries paying more, some contracting industries paying less—does not exceed the community's annual capacity to produce more goods. The level might be 3 percent in some years, higher in others. Fully employed economies need, in fact, some agreed norm to which the wage bill could be related.

Britain's new National Incomes Commission is designed to set such a standard. The wage level is regularly discussed by the French Planning Commission. Sweden and Holland have even achieved a measure of national agreement by way of discussions between employers and unions. Thus the theory of a steady and reasonable increase in wages contained within certain agreed annual limits is already known. Occasionally it is acted on. But no one can pretend that it is widely understood or that labor unions are quick to accept the reasoning behind it.

Nor is their acceptance made easier by the general divorce of workers from any direct share in profits or by the fantastic rewards—in stock options and so forth—which some businesses shower on senior executives. Restraint cannot, in a democratic society, be preached to one section of the community alone.

To turn now to the political risk of regimentation, here a more positive answer can be given. In the last decade, several countries have developed wholly new techniques of economic planning and forecasting and their calculations, based uopn the computer and upon input-output analysis, promise to make available to society, without oppressive regulation, a sense of scope and direction which could wholly transform the businessman's sense of opportunity—and it is, after all, on this that in large measure growth in free economies depends.

The French, gently prodded by Jean Monnet, have led the way. Their Planning Commission examines with business leaders and trade unionists the implications for the economy of, say, a 4- or a 5-percent rate of growth—the demand it postulates for power, for steel, for transport, for machine tools. With this picture of buoyant demand before their eyes, businessmen go away and take the decisions on investment consonant with such a rate of growth—and their decisions are a key factor in insuring that the rate occurs.

The Japanese use a comparable technique in plotting budgetary policy. For some years the Government made an annual estimate of the amount of growth the Japanese economy was likely to achieve in the next 12 months. Then another estimate was made on what additional tax revenues would be earned by the extra production. A sum equivalent to those potential revenues was then remitted in tax reliefs and became available for spending in the economy. The stimulus thus given proved one of the chief ways in which the next surge of growth was secured.

Belgium has acted to create a planning mechanism, Spain and Italy are considering it, Britain and Canada are setting up National Economic Development Councils as a first step. For years, private firms have, of course, used detailed analysis and forecasting for their own market surveys. The new technique is largely an adaptation of the procedures to national markets. It does not imply detailed regulation. It does give an impetus and momentum to private choice and public plans.

We may thus conclude that free society in the West is beginning to evolve new answers to the new problems created by the pressing need to secure higher rates of growth. As in every period of creative change, many minds do not accept either the new needs or the new policies designed to meet them. In the United States—but very much less in Europe—a rigid orthodoxy still prevails on most matters concerning governments and their interventions in the economy. Many of the techniques now used in Western Europe or Japan to keep demand high and buoyant—flexible budgeting (which may include deficit financing in slack years), forecasting and indicative planning agencies, attempts to construct an acceptable strategy for wages—all these are denounced as dangerous departures from the accepted way of doing things.

Arguments to counter such dogmatism cannot be marshaled easily, for emotion as well as reason is involved. Yet it is a sobering thought that 34 years ago—when budgets were small and generally balanced, when unions were unorganized and taxes low, when business did its own forecasting and the market reigned supreme—in short, at a time of every considerable laissez faire, there occurred an almost total collapse of demand in Western markets which in turn introduced the worst depression in the history of capitalism.

Today, there are enough uncertainties in the West—slower investment in Europe, unemployment in America, low income among the primary producers—to suggest that the buoyant growth of the last decade, which has put communism more or less on the defensive all around the world, cannot be relied on simply to maintain itself unaided. If all new policies for growth are rejected, may not the old policies lead back to the old result—the collapse of demand, the disarray of the West, the resurgence of extremism?

This is the general context within which policies for growth must be considered. In such a perspective, it is not easy, rationally, to dismiss problems simply because they wear an unfamiliar face, or to refuse policies which, being designed to meet new problems, are themselves still new.

THE NEED FOR A TAX CUT

Mr. HUMPHREY. Mr. President, as the 1st session of the 88th Congress draws closer to conclusion, it becomes increasingly important that all of us recognize the urgency and import of the two paramount issues which confront it—a tax cut and civil rights legislation.

I have spoken repeatedly on both of these issues. I shall discuss them again. Recognizing their complementary nature, we cannot treat one without dealing indirectly with the other. However, today I wish primarily to call attention to the tax cut. Public debate on this issue frequently suffers from a lack of information and understanding that creates imaginary and needless conflicts. I wish to insert in the RECORD, at the end of my remarks, an excellent and informative article by Budget Director Kermit Gordon which appeared recently in the Federal Accountant. This article clearly demonstrates that the present debate is not between wild spending and economy; it is not between proponents of a balanced budget and its opponents. Too often we engage in an exercise in semantics instead of a comparison of facts. The choice before us is the method of approaching a common goal. It is how we can best establish a rational and responsible fiscal policy which will stimulate a full-employment, expanding economy.

We can learn much by a survey of the fast growing economies of Japan and Western Europe which have sustained their rapid growth through a high level of combined private and public demand. This demand can be created in several ways. One way is to rely principally on direct Government spending; another is indirectly through tax relief. Chairman WILBUR MILLS, who so eloquently guided the tax bill through the House, made this same observation when he stated the Government could follow either of two roads to the achievement of a prosperous economy—greatly increased Government expenditures, or a tax reduction which would free funds for private investment and consumption.

The roads to economic growth have not always been so clearly marked. Nor have danger signals warned so clearly against restrictive monetary and fiscal policies in a sluggish economy. Mr. Gordon's illuminating article traces the evolution of Federal budgetary thinking, through a deeper understanding of its mechanics, toward a more rational policy. He illustrates the extent of this shift by citing the passage of an increased income tax in the midst of the depression, an action which would inevitably further reduce the level of economic activity. Congress made this decision, which appears irrational to us today, because of its unshakeable faith in the absolute value of a balanced budget. The result, as Mr. Gordon points out, was almost certain to aggravate and deepen the depression.

It is not necessary to renounce the hope for a balanced budget. But neither is it necessary to turn this objective into a shibboleth which stifles any constructive search for new solutions when old ones prove inadequate. An economy operating consistently below its capacity is clearly not going to produce the tax revenues needed to balance the budget.

Another specter raised by the tax cut is that of inflation. Mr. Gordon discusses in this article the conditions which presently guard against inflation. When demand overtakes and outdistances supply, inflation becomes a danger. Our problem, however, is the inverse—an inadequacy of demand. Should a tax reduction so stimulate demand as to create an inflationary tendency, monetary policy could quickly shift to counter it.

I am pleased to call Mr. Gordon's article to the attention of my colleagues. I believe it makes good economic sense and will help substitute facts for entrenched myths in the coming debate on taxes. I ask unanimous consent that it be printed in the RECORD at this point.

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

FEDERAL BUDGETARY POLICY IN ECONOMIC PERSPECTIVE

(By Kermit Gordon)

(NOTE.—Kermit Gordon, an economist by profession, took office last December as Director of the Budget after having been for 2 years a member of the Council of Economic Advisers. Mr. Gordon's first Government service was in the Office of Price Administration from 1941 to 1943. During World War II he was in the U.S. Army assigned to the Office of Strategic Services and was with the Department of State from 1945 to 1946, a consultant to the Department of State, 1946 to 1953, a consultant to the White House Office in connection with the preparation in 1950 of the Report of Foreign Economic Policies and an economic consultant to the Office of Price Stabilization in 1951. He joined the Department of Economics at Williams College in 1946 and he has been professor of economics since 1955, David A. Wells professor of political economy since 1961. Among his other varied activities are 10 years as associate to the administrator, Merrill Foundation for Advancement of Financial Knowledge, 1947 to 1957, and 2 years as director of Ford Foundation's program in economic development and administration. This past June Mr. Gordon was installed as an honorary member of the Federal Government Accountants Association.)

(Federal budgetary policy both influences and is influenced by economic activity, an aspect of Federal planning that only recently has come to be generally understood. As economics traditionally has emphasized cost-benefit analysis, another aspect of budgetary policy important in economic perspective is the efficiency with which Government activities are conducted. Budget Director Gordon explores these two facets of Federal budgetary policy in the following article which provides special insight into economic factors guiding the 1965 budget determinations currently in process.)

What I have to say here must begin with a truism: that the body of decisions which constitute the yearly Federal budget must be related responsibly both to the specific needs of the Nation in domestic and foreign affairs and to our overall potential for economic accomplishment. It is not easy to keep a firm grasp on all of the special factors which condition the fiscal operations of a Federal Government such as ours, but the magnitudes involved have long since convinced the American people that their economic well-being is vitally affected. Each year there passes through the hands of the Federal Government a sum of money equal to about one-fifth of our gross national product. Each year, as a consumer, the Federal Government utilizes some 11 to 12 percent of all useful goods and services the economy produces. The growth and prosperity of the national economy are bound to depend to an important degree on the use of these resources and on the way they are made available for national objectives.

ECONOMIC ROLE OF BUDGETARY POLICY

Our agreement on these matters does, I believe, go beyond a mere recognition of their importance. In the heat of public debate about spending, taxes, deficits, and debt, we sometimes lose sight of the fact that we have achieved in the United States a rather broad consensus of support for the view that Federal budgetary policy should be designed to help compensate for inadequacies or excesses in private demand—and we clearly agree that Federal policy should not exaggerate them. There is now common acceptance of the idea that if total private and public demand for goods and services presses too hard on total supply, inflation will result; that if demand falls considerably short of potential supply, plants will be idle and workers unemployed; and that it makes sense to try to adjust the relationship between Government spending and taxes to help avoid both of these evils.

Those who doubt the existence of such a consensus should consider whether there would be much support today—given the same conditions—for the kind of policy followed in 1932 when the economy lay prostrate under the onslaught of the great depression. Real gross national product in 1932 was 28 percent below the 1929 level and nearly one worker in every four was employed. Because of the collapse in production and incomes, Federal revenues fell 50 percent from 1929 to 1932, and largely for this reason, the 1929 budget surplus turned into a 1932 deficit.

In considering what Congress ought to do in the circumstances, the chairman of the Ways and Means Committee said on the floor of the House: "Now, my friends, I want you and the country to gird yourselves with stamina, with backbone, and with courage to meet this emergency. All must make tremendous sacrifices. The budget must be balanced. To do it, additional taxes must be levied."

So Congress proceeded—in 1932—to raise income taxes. This action was in accordance with the prevailing doctrine of the period, which held that the only sound rule of fiscal policy was to attempt to balance the budget each year. Indeed, the conviction of Congress that it was doing the right thing was reinforced when it received a communication bearing the signatures of 62 faculty members of a great university urging an immediate increase in taxes. But the result, almost certainly, was to aggravate and deepen the depression.

The fact that few people today would urge the same policy under the same circumstances is evidence that there is far less disagreement on the issues of fiscal policy than the temperature of the debate might suggest. Despite the many major differences of emphasis and attitude that exist, it is now generally recognized that Federal budgetary decisions should be made in the light of the needs of the economy.

PRESENT STATE OF THE NATIONAL ECONOMY

The standard measure of national economic activity is the Nation's gross national product, which is the money value, at current prices, of the Nation's total output of final goods and services. Over the years economists and others interested in business activity have singled out various cyclically sensitive statistical indicators thought to provide insight into prospective changes in gross national product. Since the beginning of the current year, these indicators have been quite encouraging, on the whole, giving substantial promise that the more optimistic forecasts of gross national product for 1963 will be realized. Equally reassuring signs of a quickening economic pace are to be found in the expanding trends measured from January 1961, which show a 30-month record of uneven, but sustained, economic expansion from a recession trough.

Measured from their early 1958 levels, however, these same economic indicators disclose a far more revealing and more sobering picture. They depict an economy that has been operating considerably below its potential for some 6 years—an economy that even now, after more than 2 years of expansion, is producing at a rate $30 to $35 billion a year below its comfortable capacity. The average operating rate in manufacturing is perhaps 10 percent below the preferred rate and more than 5½ percent of the labor force remains unemployed.

Whether viewed in terms of total output, employment or investment, the evidence of slowdown since 1957 is clear. In the postwar decade 1947–57, total output rose at the brisk rate of about 4 percent a year; since 1957, progress has slowed to 3 percent a year. In the postwar decade, unemployment averaged 4.3 percent of the labor force; since 1957, it has averaged 6 percent and has not in any month fallen below 5 percent. From 1947 to 1957, private fixed investment averaged 11 percent of gross national product; since 1957, it has fallen to an average of 9 percent.

A persistent gap has opened up between achievement and potential, and in many subtle ways the Nation has been paying a high price for its lagging performance. Its growth rate compares unfavorably with that of most other industrialized countries. The overhang of idle capacity has dampened domestic investment incentives and has encouraged the flow of American capital abroad, with consequent strain on the balance of payments. High unemployment rates among youth have bred discontent and frustration. Chronically depressed areas have been denied the rejuvenating effects of a strong demand for labor, which would tend both to attract new industry to areas of labor surplus and to draw idle labor into more prosperous regions.

Agriculture and industry are both affected adversely by lagging performance. Because of the absence of good alternative employment opportunities, many agricultural workers continue to earn low incomes and the underlying farm problem persists. In an

effort to save their jobs, industrial workers seek to institute restrictive work rules and to shorten the work week; and some industries, in a similar effort to insulate themselves from the general economic climate, seek to price their goods so as to earn normal profits on subnormal volume.

SUBSTANTIAL TAX REVISION ESSENTIAL

The immediate cause of this unsatisfactory economic performance these past 6 years is, in my opinion, inadequate total demand. We have simply not been able to sustain a rate of growth in demand sufficient to absorb our unemployed and put our idle capacity back to work. The effort to diagnose this condition has led to a search for remedies, and this search has led directly to the Federal tax system. We are weighed down by the burden of an income tax system which, though modified somewhat, is still essentially that which was adopted to restrain excessive demand in wartime. Its power to extract income from the bank accounts of individuals and corporations is so great that the Federal budget would have shown a string of handsome surpluses rather than deficits in the years since 1957 if the economy had been operating close to full employment. The truth is that tax rates set so high as to absorb an excessive proportion of a full-employment gross national product will actually block the road to the achievement of full employment and yield disappointingly low revenues. In the six budget documents submitted from January 1957 through 1962, taken together, a surplus of $8½ billion was forecast; yet the actual budget result was a cumulative deficit of $33 billion. In each of the past 6 years revenue estimates were based on an expected resumption or continuation of brisk economic expansion—and in each year the dampening forces of the tax system were exerted in a way that kept the estimate from being realized.

This, very briefly, is why we believe that the needs of the economy require a substantial further revision of the Federal income tax system in 1963. I stress the need for further revision because the tax changes instituted last year—the liberalization of depreciation rules and the enactment of the 7-percent investment tax credit—had the effect of reducing business tax liabilities by about $2½ billion a year and represented a start toward the adoption of a growth-inducing tax system. Although these tax changes were at first regarded skeptically by the business community, this skepticism has melted in the presence of hard evidence that business investment this year is responding to the stimulus of these reforms.

The President's tax program which is now before the Congress has the following principal elements:

1. Taxes are to be reduced by about $10½ billion, in three stages, during 1963, 1964, and 1965.

2. The $10½ billion net cut is made up of $13½ billion of gross tax reduction offset by $3 billion of revenue-producing reforms. In turn, the $13½ billion gross reduction consists of roughly $11 billion in personal and $2½ billion in corporate taxes.

3. The top bracket rate of the individual income tax is to be reduced from 91 to 65 percent and the lowest bracket rate from 20 to 14 percent.

The tax program has two major objectives: first, to provide a sizable increase in effective demand by sharply reducing the proportion of income taken in taxes, and second, to provide a tax structure, which, through sharp cuts in top bracket rates and reduction in corporate taxes, will encourage increased risk taking and a higher tempo of business investment. It is thus a program which will narrow the gap between performance and productive potential, while concurrently stimulating a more rapid growth in that potential. The President's tax proposals constitute the most important economic policy issue before the Congress this year, and fortunately the prospects are hopeful for the enactment of constructive and invigorating tax legislation.

ARGUMENTS FOR CUTTING TAXES NOW

Many people ask whether this is the right time to cut taxes. Rather than cut taxes now when there already is a large budget deficit, should not tax reduction be deferred until there is a surplus in the budget? This is an important question, and it deserves a straight answer. The answer, in my opinion, however, has two parts:

First, I believe we are more likely to reach a balanced budget in the next few years if we cut taxes now than if we do nothing. If we fail to act, we risk a continuation of the experience of the last 6 years—undercapacity operations and excessive unemployment. An economy operating at under capacity is unlikely to generate the tax revenues needed to balance the budget. It is instructive to note that we have had budget surpluses six times since the war and in every case save one the surplus has occurred in a setting of full employment. This experience lends support to the view that it takes full employment to generate the revenues needed to balance the budget. If we cut taxes now, we will have a somewhat larger immediate deficit, but a better prospect for reducing and eliminating the deficit in the years ahead through the increase in tax revenues returned by an expanding economy.

Second, if we were by some chance to achieve a balanced budget without a tax cut, we would probably find that a tax cut in such circumstances would be badly timed. Since balanced budgets and full employment tend to go together, to cut taxes in a setting of full employment and high utilization of capacity is to court the danger of excessive demand and inflation unless a slump is in prospect.

Another main objection raised against tax reduction at this time stems from the fear that the immediate deficit associated with tax reduction will cause inflation. This is a legitimate concern; the American people fear inflation, and properly so. Moreover, there are times when a Government deficit will cause inflation: When demand is pressing against the limits of supply, a reduction in taxes or an increase in Government expenditures will tend to raise prices. But there is no alchemy by which deficits are automatically transmuted into price increases; it is the state of the economy which determines whether deficits will cause inflation. For example, although deficits have occurred in 5 of the last 6 years, the price level in this country has been more stable than in any other advanced industrial country with the exception of Canada. The reason, of course, is that at no time in this period has there been pressure of excess demand on prices.

While the President's tax program is designed to stimulate private demand, we do not believe that it will overstimulate demand and cause it in turn to overtax capacity. Even if excess demand pressure should develop—an event we think most unlikely—the tools of monetary policy can be brought quickly into play to dampen the pressure.

Hence, whether one appeals to economic logic or to recent economic history, there is little basis for the fear that the President's tax program is inflationary. The opposite danger is much greater—that failure to enact the tax program will leave us beset with the same economic ills which have troubled us for the last 6 years and will increase our vulnerability to recession. While the President's tax program certainly will not in itself solve all of the Nation's economic problems, its enactment will help to create a climate of economic vitality and expansion in which many other problems—ranging from agriculture to automation—will be easier to solve.

DRIVE FOR ECONOMY IN GOVERNMENT

The President's program for tax reduction and reform—designed as it is to spur expansion of the national economy and early achievement of full employment—has major implications for future budgetary policy. The President has pledged that, as the tax cut becomes fully effective and the economy climbs toward full employment, a substantial part of the increased revenues generated by economic expansion will be applied to the reduction of the deficit. This declaration commits the administration to a policy of sustained expenditure restraint. Work on the 1965 budget, which is already well underway, is moving along lines consistent with this policy.

This does not mean a freeze on new programs—a moratorium on prudent planning by the Federal Government to respond to the changing needs of a growing country. It does mean—and it means emphatically—that vigorous efforts will be made to find economies in existing Government programs, in order that the net impact of new activities on the Federal budget will be held to a minimum. Better management and cost reduction can make a major contribution toward resolving the conflict between expanding public needs and the need to limit total expenditures.

Any doubts as to the great potential of management improvement for restraining expenditures should be resolved by the spectacular accomplishments—realized and prospective—of the Defense Department's procurement and logistics cost reduction program. Savings are estimated at $2.7 billion for fiscal year 1964 and $3.5 billion for fiscal year 1965. These are not vague estimates of future economies; the program is fully in effect today, and it is reshaping procurement and management practices in the Department of Defense. In 1963, its first full year of operation, the program produced more than $1 billion of identifiable savings.

It is most significant that these savings have not in any way been achieved at a sacrifice of national security. On the contrary, notable advances were made in our military strength during 1963. Under this outstanding program, economies are being achieved by buying only what is needed, buying that at the lowest sound price, and reducing operating costs through integration and standardization. Defense needs are thus being met more effectively and at lower cost—which is economy in the true meaning of the term.

The magnitude of the Defense economy prorgam can be grasped more readily if it is compared with the future costs of the legislative proposals submitted by the President during the current session of Congress. For example:

"Closer calculations of procurement needs and fuller use of excess inventory in place of new procurement will save more during fiscal years 1964 and 1965 than the cost in these years of the proposed military pay increases.

"The shift from noncompetitive to competitive procurement, and the shift from cost-plus-fixed-fee to fixed or incentive price contracts will save more in these same 2 years than the total cost of the President's omnibus education program—including aid to school construction and teachers' salaries, college facilities, library and graduate school grants, student loans and fellowships, and adult and vocational education.

"The elimination of gold plating in procurement specifications—performance characteristics unneeded for the planned mission—will save more in 1964 and 1965 than the cost of the President's youth employment opportunities program.

"Improved equipment maintenance through better management will save as

much in these 2 years as the entire cost of the President's mass transit program.

"The closing or reduction of unnecessary installations in the Defense Department will save more than the total cost in 1964 and 1965 of the President's program for hospital construction and aid to medical education."

To put the comparison in its most striking form, Secretary McNamara's cost reduction program wil realize savings, in 1964 and 1965, which will exceed the total cost of the legislative program the President has proposed to Congress throughout its current session. This persistent drive for better management extends far beyond the limits of the Department of Defense and is not an issue between the parties. Many management gains were accomplished by the last administration and this administration has sought to maintain and accelerate the momentum.

TAXPAYER INTEREST IN EFFICIENCY

I want particularly to emphasize the importance this administration attaches to the goal of raising managerial efficiency in the Federal Government. Although ours has been described as an affluent society, 55 percent of the American families today have an annual income before taxes of under $6,000. The share of the $6,000 which they pay in taxes represents a very important part of their income dedicated to Federal activities. This does not seem to be an affluence that can tolerate, let alone justify, loose and slack practice in the administration of Federal programs.

Not too surprisingly, the average citizen is much more concerned with efficiency in Government than he is with efficiency in business. In dealing with private business, the citizen can often protect himself against excessive prices and unsatisfactory products by buying elsewhere or by simply not buying. He enjoys no such option with respect to the services of the Government. The sale of Government services by their very nature necessarily must be a compulsory transaction—a transaction in which the citizen is denied the option of not buying the product. This is not, of course, a criticism of Government services, the nature of which usually requires that they be provided through governmental machinery. But this helps to explain the greater concern that the average citizen has for efficiency in Government than he has for efficiency in private business. On our part, those of us in Government have a very grave responsibility to give unremitting attention to the need for improving management practice and for providing Government service at the lowest possible cost.

NEW INCENTIVES FOR BETTER MANAGEMENT

Unfortunately the Government operates under certain handicaps, relative to private business, with respect to the kinds of incentives that produce good management performance. For one thing, there is no threat of competitive extinction—that if you do not do well, somebody will drive you out of business. Further, some of the most valued tools of private enterprise are lacking in Government, most notably the profit and loss statement.

More reassuring is the fact that the Government is gradually evolving effective counterparts for some of the built-in stimuli to improved performance which seem to characterize business operation in the competitive market. There is an increasing emphasis on costs at all management levels—on cost determinations and on cost-based budgeting. At the same time better productivity measures are being developed, under Bureau of the Budget coordination, to provide a more reliable basis for measuring work productivity throughout the Federal Government. Another very encouraging development is the progress being made in cost-benefit analysis, relating the costs of particular public services to money measures of the benefits derived. All of these developments are contributing to a more rational order of managerial decisions.

A very fortunate, although at times embarrassing and even trying, aspect of managerial stimulus in the Federal Government is the fact that the Government, by its very nature, must operate in a goldfish bowl. The General Accounting Office, in particular, makes a most valuable contribution to the goldfish-bowl aspect of Government through its auditing program and its periodic reports on performance. The activities of the General Accounting Office tend to synthesize within the Government something like the same stimuli which are at work in private business. However painful the process may be, the end result is to further the cause of management improvement and this cannot help but be beneficial to all concerned.

In retrospect, the most striking discovery I have made in viewing the Federal Government from my particular vantage point in the Bureau of the Budget is the heavy emphasis, continuing stress and vigorous support which are being given and which have been given for many years to the cause of management improvement. The reassuring extent of these endeavors is little known to the citizens of the United States. This is because better management and cost reduction are not controversial objectives and it is the controversial which tends to capture public attention. Since these important endeavors deserve to be much more widely recognized, the Bureau of the Budget undertook last April to summarize some of the Government's many commendable accomplishments in a special brochure entitled "Cost Reduction Through Better Management in the Federal Government."[1]

The efficiency of Government has a special importance in a Federal democracy such as ours. Whether the citizen believes that public servants are alert and effective in conserving the national resources entrusted to their care very properly determines his confidence in government as a way of getting things done. This confidence, in turn, is bound to affect in some degree his faith in the vitality and durability of democratic institutions themselves. To press for efficiency, good management, and cost reduction is, therefore, a very fundamental obligation of the public service, which the people should know we fully accept and mean to fulfill, whatever the fiscal policies of the time.

[1] This 62-page report brings to light important new developments in management improvement in the Federal Government and cites examples. It is available for 25 cents from the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402. Among the topics covered are: automatic data processing; highlights of managing manpower; incentive awards; property and supply management; financial management; new approaches for managing complex programs; and statistics reporting and use.

INDIANA DUNES NATIONAL LAKESHORE

Mr. HARTKE. Mr. President, I have been very pleased with the response of the public to the introduction of S. 2249, the bill to establish the Indiana Dunes National Lakeshore, of which I am a cosponsor.

As evidence of this support, I would like to bring to the attention of the Senate a letter addressed to President Kennedy from Mr. Thomas E. Dustin, public relations director of the Save the Dunes Council, Inc. Mr. Dustin enclosed in his letter a petition signed by more than 100 Indiana scientists and educators endorsing the establishment of a national park in the dunes region.

This endorsement is, I think, truly significant and I ask unanimous consent that Mr. Dustin's letter and a copy of the petition be printed in the RECORD.

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

SAVE THE DUNES COUNCIL,
Chesterton, Ind., October 24, 1963.

Hon. JOHN F. KENNEDY,
Office of the President,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a petition endorsed by more than 100 of Indiana's most respected scientists and educators who have declared their support for the administration proposal to establish the Indiana Dunes National Lakeshore.

Those who endorsed this petition do not purport to speak for the many educational institutions where they hold important posts. It is noteworthy, however, that their professional competence qualifies them to serve as educators at many of the major institutions in the State, including Indiana University, Purdue University, Ball State Teachers College, the University of Notre Dame, DePauw University, Taylor University, Wabash College, Earlham College, and others.

Such an expression of opinion from so eminent a group must surely indicate that the remaining areas of the Indiana dunes region should be preserved, that all administration effort should be dedicated toward earliest establishment of the lakeshore, and that the minimum measure suitable for accomplishing this objective is the bill introduced by Mr. JACKSON, October 21, S. 2249.

In closing, Mr. President, I believe it may also be of interest to you to know that Dr. James Dewey Watson, 1962 Nobel Prize winner in medicine from Indiana, will honor the Save the Dunes Council's 12th annual meeting, October 26, as principal speaker. Dr. Watson serves on our advisory board.

Very truly yours,

THOMAS E. DUSTIN,
Public Relations Director.

OCTOBER 18, 1963.

To the Honorable John F. Kennedy, the Honorable Governor of Indiana, and the Honorable Congressmen From Indiana:

With the release of the U.S. Bureau of the Budget recommendation for an Indiana Dunes National Lakeshore, consisting at this time of 11,700 acres, Indiana, the Midwest, and the United States are faced with an unprecedented opportunity to establish this project at an early date.

As the recent official statement of the 2,400-member Ecological Society of America puts it, "The Indiana Dunes region is of unique interest to science because there the principles of plant and animal succession and habitat evolution were discovered by early American biologists. This fundamental knowledge, comparable to species evolution in theoretical import, has been profitably applied in all countries in practical fields such as forestry, range management, conservation of soil and water, and wildlife management. Fourteen midwestern universities and colleges utilize the superb educational values of the Indiana Dunes by class field trips or research studies. Scientists from throughout the world visit this area of classic biological and geological significance."

The undersigned scientists and educators of Indiana believe that immediate steps should be taken to implement the national lakeshore outlined by the Budget Bureau and delineated by the National Park Service. Many areas included are highly important to science and education; other portions will provide recreational opportunities which are

vital in the balanced growth of this area of the country.

In the strongest possible terms, we urge the adoption of measures which will bring this great project to fruition, and we call upon elected and appointed leaders everywhere to join in this effort now, before any further losses to this irreplaceable natural assets are sustained.

RECLAMATION ADDRESS BY SENATOR FRANK MOSS

Mr. McGOVERN. Mr. President, the distinguished chairman of the Irrigation and Reclamation Subcommittee of the Senate Interior and Insular Affairs Committee, Senator FRANK E. MOSS, made an excellent presentation of our need for multiple-use planning and development of water resources at the recent convention of the National Reclamation Association at Sun Valley, Idaho.

The Senator from Utah called attention to the growing use of reclamation project water for municipal and industrial purposes, and also for the products of irrigation farms, where much of the Nation's beef and mutton, fruits, vegetables, and specialty crops originate.

There is need for greater public understanding that the reclamation projects we are undertaking do not add significantly to agricultural commodities in surplus, but produce chiefly items for which we have growing need. For example, the Department of Agriculture recently estimated that we need to expand our beef cattle herds from approximately 75 million head to 100 million head by 1970. Much of this needed expansion can be supported by reclamation. Nationally, 50 percent of irrigation production is hay and forage for livestock. In the Great Plains area, that proportion ranges up to 90 percent.

Mr. President, I ask unanimous consent to include in the RECORD Senator Moss' address to the National Reclamation Association on October 24, 1963.

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

TRENDS IN RECLAMATION LEGISLATION

(Remarks of Senator FRANK E. MOSS, of Utah, chairman of the Subcommittee on Irrigation and Reclamation of the U.S. Senate Committee on Interior and Insular Affairs, at the annual meeting of the National Reclamation Association in Sun Valley, Idaho, October 24, 1963)

The pleasure of getting back home and visiting with old friends about the development of our western country is greatly enhanced this year by the fact that we have had nearly 10 months of continuous congressional session. The change of scenery, and being with western neighbors even briefly, is a very welcome occasion.

This is the 32d annual convention of the National Reclamation Association, which came into being in my hometown of Salt Lake City, has continued to grow in stature and influence in the intervening years and, in my judgment, is on the threshold of a new era of opportunity for public service.

In March of this year, it was my privilege to preside for the first time at the annual conference of the Senate Interior and Insular Affairs Committee and your board of directors. As usual, it was a very pleasant and informative session on the problems of reclamation in the field, and in Washington.

The occasion was particularly auspicious because of the presence of the freshman member of our committee, Senator CARL HAYDEN, of Arizona. In introducing our distinguished junior committee member, Senator HENRY JACKSON, now the chairman of the full committee, said:

"Certainly the most prominent person to join the committee in many years is our revered Senator from Arizona, Senator CARL HAYDEN, an ardent champion of reclamation for many, many years. As a matter of fact, he should be sitting up here. I might add that while I am now in my 23d year in Congress, this gentleman came to Congress before I was born."

The title for my remarks today is "Trends in Reclamation Legislation." In contemplating it, I have been unable to avoid the thought that you ought to have our freshman Member as your speaker on this subject. CARL HAYDEN came to Congress on February 19, 1912—more than 51 years ago—and is the most competent of all of us to speak about trends. He has watched them for more than a half century. He helped get the famed Salt River project in Arizona underway. He has watched a tremendous shift in the use of project water from agriculture to municipal and industrial purposes. Within his term of service in Congress he has seen the Salt River area move from an agrarian economy to a heavily industrial economy.

The Bureau of Reclamation tells me that in the past 10 years more than 300 industries have located in and are now served by the Salt River project. These include Motorola, the computer production facilities of General Electric, a Reynolds Aluminum Co. plant, Goodyear, United States Steel, Sperry-Rand, and many other nationally known firms which would not have located in Arizona except for the availability of water from the project accompanying their plantsite purchases.

Senator HAYDEN has long sponsored the proposed central Arizona reclamation project in his own State. As late as 1957, all but a very minor portion of the water to be controlled by that project was intended for supplemental water for irrigation purposes. The report on Senator HAYDEN's current central Arizona bill, which was made to our committee very recently, shows that 300,000 acre-feet of the project water will go directly to municipal and industrial uses and by the time the payout period is completed a major amount wil be used for "M and I."

Senator HAYDEN himself observed during the progress of the hearing that ultimately very little of the water from this project will be used for agricultural purpoess, although all of it was so intended when the project was originally conceived.

At a hearing earlier this year our very able Commissioner of Reclamation, Floyd Dominy, presented a chart and statement graphically pointing up the trend of construction expenditures by the Bureau from 1902, reflecting the change in emphasis and purpose.

In the period from 1902 through 1910 a total of $58.7 million was spent and 97.3 percent of it was for irrigation facilities; 1 percent was for power, and 1.7 percent for unidentified purposes.

In 1963, based on estimated expenditures of $266 million, only 29.8 percent was for irrigation purposes. Nearly half, 47.2 percent was for power, another 10.2 percent was for municipal and industrial water, 8.6 percent was for flood control, and the remaining 4.2 percent was for recreation, fish and wildlife, salinity alleviation, and minor uses.

Commissioner Dominy's chart had divided the 61 years which were covered into nine periods. In every period the trend was toward a decrease in the proportion of irrigation and a consistent increase in other classifications.

Senator GEORGE MCGOVERN, of South Dakota, recently directed the attention of the Senate to the fact that there has been a tenfold increase since 1956—only 7 years ago—in the population served with municipal and industrial water supplied from Bureau of Reclamation projects.

In 1956 there were 1,070,000 persons using 165,000 acre-feet of water from Federal reclamation projects for municipal and industrial uses. Last year it was 10,120,000 persons who used 1,455,000 acre-feet of water. The growth in municipal and industrial users is now running in excess of 12 percent a year.

This trend in use of water from established irrigation projects is paralleled by a trend in the nature of legislation for new projects. Measures before the Irrigation and Reclamation Subcommittee include increasingly large allocations of water for municipal and industrial supplies and, in more than one instance, the projects are entirely for the purpose of municipal water supply.

One of the bills we have passed through the Senate this year, S. 614, by Senators ANDERSON and MECHEM, authorizes the Secretary of the Interior to provide water from the San Juan-Chama to establish and maintain a permanent pool for recreation purposes at the Cochita Reservoir in New Mexico. Another was to assure and promote conservation of wildlife on the Pacific Flyway in the Tule Lake, upper and lower Klamath, and Clear Lake wildlife refuges.

Two measures deal exclusively with jurisdiction over power developments and marketing of power.

Just as we are evolving a multiple-use policy for management of our public lands, so also are water projects, even in the arid West, becoming increasingly multiple-use projects, or parts of a multiple-purpose program with municipal and industrial water supply, power, dilution of effluents and salinity, recreation, and fish and wildlife becoming increasingly large and insistent claimants for recognition. In some places, as always, flood control and navigation are factors.

The calendar of the Interior Committee and the irrigation and reclamation subcommittee, and the work we have done this year, reflect the rapidly increasing pressure and necessity for consideration of all needs for water.

As of the first of this month, 60 bills and resolutions had been referred to the irrigation and reclamation subcommittee for consideration and action.

Eighteen hearings have been held. Sixteen bills have been favorably reported to the floor and eight have been passed by the Senate.

Only one of the bills that have reached the floor fall in the category of project authorizations—the Dixie project in Utah which has been sought by the people of Washington County for more than 40 years. This is not unusual in the first year of a Congress. The comments and views of interested executive agencies and of the White House must be obtained. Many of the proposals require a great deal of study and preparatory work. This is generally the year when housekeeping bills are passed and groundwork is laid for authorizations in the second session of the Congress.

In the housekeeping category, we have done considerable tidying up. The committee has favorably reported—and the Senate has passed—a bill that will extend the provisions of the Small Projects Act by increasing the nearly exhausted authorization from $100 to $200 million. It also modifies some of the requirements of the original legislation to simplify the procedures by which smaller, non-Federal irrigation districts can take advantage of Federal loans to build new projects or rehabilitate and better existing ones.

We have also processed a bill to make costs of certain investigations of the Bureau of Reclamation nonreimbursable.

The Bureau of Reclamation is the only Federal Agency in the water resources development field required by law to charge the cost of preauthorization studies to the reimbursable costs of the project. The costs of all such investigations by the Corps of Engineers are nonreimbursable. Similarly, Department of Agriculture plans for watershed improvement, and expenses incurred in arranging financial assistance to carry out those plans, are treated as a part of the Federal participation in the project. During hearings on the Bureau of Reclamation bill, the point was made that the Bureau of Reclamation programs require the highest degree of reimbursement and yet, reclamation is the one program in which investigation costs are not regarded as a Federal contribution.

Hearings have been held on the Garrison diversion unit of the Missouri Basin project, and on central Arizona. These could lead to authorizations.

The committee has worked especially diligently on two broad, basic, pieces of water legislation in which reclamation has an important stake, and on which our great and good friend, Bill Welch, testified for your organization. These are the water resources research bill and the river basin planning bill.

Both of these bills, sponsored by Senator CLINTON P. ANDERSON and others of us who served on the Senate Select Committee on National Water Resources, when assessed together, with the history and report of that committee, speak rather eloquently of the trend in water legislation, including reclamation.

The select committee found that the United States is confronted with absolute water shortages, beginning in the southwestern river basins where stringency is already felt, spreading into the Upper Missouri Basin by 1980 and on into the western Great Lakes area, the upper Arkansas-Red River Valleys and the western gulf area, by the year 2000. It found that the great industrial area of the Nation lying between Sioux Falls, S. Dak., and St. Louis, Mo., on the west, and Boston and Washington, D.C., on the east, would have serious water problems stemming in a considerable degree from distribution, variability of supply, and pollution.

The select committee made five major recommendations: (1) River basin planning; (2) intensified research including work on more efficient use of available water, and augmentation of supplies through weather modification and desalinization; (3) increased State participation in water resource planning and programs; (4) maintenance of a continuous assessment of regional water supplies and demand, and; (5) a Federal program aimed at encouraging greater efficiency in water development and use.

S. 2 and S. 1111 are pieces—beginnings—of this unified, overall approach to meeting the Nation's water needs. I believe it will be to the everlasting credit of the National Reclamation Association, which has always had a primary interest in irrigation, that it has had the vision and the statesmanship to see the necessity of meeting all water needs and to support the implementation of a broad national water program for all purposes as vigorously as it supports particular irrigation projects.

S. 2. The water resources research bill has passed the Senate and has a high priority on the calendar of the House Interior and Insular Affairs Committee. The bill provides for the establishment of water resources research centers at land-grant colleges and State universities, or equivalent institutions selected by the States, where both basic and applied research, important to the areas served by the various universities, can be conducted. These State research programs would be welded into a national water research effort by a water research agency in the Department of the Interior.

Those of us who joined in the introduction of this measure regard it as of the greatest importance, for only in finding scientific solutions to a whole range of varying regional water problems can the Nation's needs be met.

Despite the impression in many minds resulting from temporary surpluses of a few agricultural commodities, irrigation is not faced with a decline. Because of the competing demands for water in the Western States, it is faced with the necessity of increasing efficiency of use of available supplies and augmenting supplies, of squeezing more production out of every acre-foot of water, and of squeezing more acre-feet of usable water out of the atmosphere or presently unused, or unusable polluted, saline and brackish water resources. But the Select Committee on Water Resources, the Department of Agriculture, and other students of future food problems agree that expansion of irrigation from 17 to 24 million acres will be needed between now and A.D. 2000.

The major products of irrigation farming—fruits, vegetables, specialty crops, and feed and forage to supplement and backstop our grazing lands—are in steadily growing demand.

Senator GEORGE MCGOVERN, of South Dakota, made an effective presentation of this fact in a recent Senate speech pointing out our country's need each year for 14 million acres of new pasture, or its equivalent, to meet the growing demand for meat.

The Department of Agriculture estimates that our beef herd must be increased one-third, from approximately 75 million head at the present time, to nearly 100 million head in 1970, to meet the requirements of an annual increase of 3 million consumers and the growing appetites of all consumers for steak, prime ribs, and hamburgers.

Since World War II, we have been able to meet expanding meat requirements by putting beef cattle on millions of acres of pastures released from horses and mules, and by feeding out an increasing proportion of cattle going to market. Two-thirds of beef going to market is now fed, and that can only be increased 5 to 6 percent, since it is uneconomic to feed canners and cutters—cows, bulls, and scrubs. Experts estimate that not more than 70 percent of beef animals can profitably be fed. This means that we must grow more feeders, maintain larger breeding herds, and expand cattle operations at the grazing end of the business. Some pasture can be provided through land-use adjustment from surplus crops to grass. But the potentialities of land-use adjustment are limited. There will be a real need for restoring, developing, and improving western range lands and providing, through irrigation, the hay and feed necessary to carry herds through winters and dry spells.

Life magazine, foe of Federal public works projects on land but friend of spending $2.3 billion on oceanography in the next 10 years, thinks we might supply some of our admitted future need for more high protein foods from fish farms along the Continental Shelf. But millions of Americans will join Senator MCGOVERN in his statement, "While I eat fish, I prefer beefsteak," and insist on red meat when they go to the grocery store, just as they will call for the fruits, vegetables, and specialty crops produced largely on irrigated lands. There is, if anything, an accelerating need for irrigation as population burgeons. The rise of other water requirements does not mean that irrigation is being or will be displaced. It means only that we must learn to conserve, schedule, use, and reuse water with utmost efficiency, find ways to increase supplies, and accommodate irrigation operations to other uses, most of them large users but relatively minor consumers of water.

Through the research that will be done under the S. 2 program at State colleges and universities and other centers of competence in the water field, plus great Federal programs on saline water conversion, weather modifications, and other major national aspects of water requirements, there is every confidence that we will increase our efficiency in managing water and expand supplies. But it cannot be done without research nor without a second step provided in S. 1111—comprehensive planning of each major river basin.

The river basin planning bill has been the subject of hearings and one executive markup session in the irrigation and reclamation subcommittee. The members present considered 18 amendments and agreed unanimously on disposition of every one of them. There is now planned a further executive meeting of the subcommittee on the bill next Tuesday, October 29. Some of us, at least, hope it will reach the floor and be passed by the Senate this year so the House can have a full session to study and act on it.

For the first time in more than 55 years, there appears to be osme justification for believing that Congress will finally enact a bill moving toward coordination of Federal water resources development agencies and comprehensive river basin planning.

There have been attempts since 1908, when Teddy Roosevelt's Inland Waterways Commission recommended it, to bring about comprehensive planning of our river basins and related land resources. They have repeatedly been defeated by conflicting interests in water, bureaucratic fears or ambitions, ill-conceived proposals, lethargy, or lack of understanding of the importance of our water problems.

S. 1111 is certainly not the last word in coordination of our approaches to water problems, nor in planning machinery, but it provides the opportunity for dedicated public servants to bring about coordination, it provides machinery for States and the Federal Government to sit down as equal and autonomous branches of government and plan river basins together, and it provides $5 million annually for 10 years to assist the States in taking a real part in water resources planning, and to do some planning of their own. Experience in operation will undoubtedly lead to amendment and improvement of the act.

When the bill first came to Congress, providing for river basin planning commissions to which both Federal and State representatives would be appointed by the President, it brought forth the usual extensive and intensive opposition to Federal domination.

Hours, days, weeks, and months of patient negotiation and cooperation between representatives of the former chairman of the Interior Committee, the Interstate Conference on Water Problems, the Council of State Governments, the executive branch of the Government, and with the representatives of your association and others concerned in water resources development, have brought into being a bill which establishes a new pattern of joint State-Federal agency in which neither surrenders any of its prerogatives or autonomy, but both undertake through reliance on the physical facts of the problems confronted, on engineering knowledge and skill, and on the determination of the participants, to solve problems critical to the growth and well-being of our democracy.

I am a coauthor of S. 1275, which attempts to clarify State and Federal water rights. I do not have to tell this group that it is a highly controversial field which has resisted solution in Congress with even greater stubbornness than coordinated water resources planning. We are pressing for hearings on S. 1275, and I am hopeful that we may soon be

able to move on that important aspect of water problems.

But in order to get the planning job moving faster, and in the comprehensive way which has become absolutely necessary, S. 1111 has been carefully drafted so it will not disturb the status quo in regard to water rights, but permit planning to proceed while rights are settled separately.

Senator KUCHEL and other sponsors of S. 1275 have agreed to this approach. The truth is that we have been able to bring about a great deal of water development in the past with the rights problem unsettled. We must continue to do so pending settlement of the rights issue.

S. 1111 provides for the President to appoint Federal representatives to river basin planning commissions. It provides for States to appoint their own representatives. The Federal Government and the States have equal status within the commissions, which will be established only if the Federal Government and half of the States ask for a commission. Their establishment is not mandatory. The bill simply authorizes them.

There is abundant assurance in the bill that there will be no interference with established agencies, interstate compacts, or interstate compact commissions, nor to the use of other conventional mechanisms for planning if the participating governmental units prefer.

The major criticism of the bill that we now hear comes from a few impatient people who feel that it does not go far enough. As short as the steps forward may be, the measure will provide for a step toward voluntary coordination of Federal agencies and programs through establishment of a Federal water resources council; it will provide for a step toward bona fide State and Federal cooperation; and it will provide funds to stimulate intrastate water resources planning and assure meaningful State participation in interstate water resources planning.

The National Reclamation Association is to be commended for its contribution to the preparation of this bill, and for its support of the measure. The association's stand on both water research and water planning reflect an appreciation of the breadth of water problems, of the necessity of planning water programs for uses other than its own immediate major concern, and eloquently demonstrate the desirability of this organization continuing its leading role in working out national water resource programs.

About a century and a half ago, two of the great economists of their time, Malthus and Ricardo, warned that the human race was headed into a world of increasing poverty and want.

Malthus wrote:

"When acre has been added to acre till all the fertile land is occupied, the yearly increase in food must depend on the melioration of the land already in possession. This is a fund, which from the nature of all soils, instead of increasing, must be gradually diminishing."

Ricardo taught that mankind would have to rely on less and less rich lands, ores, and natural resources; that labor input to produce a unit of needed goods would gradually rise; and that poverty and misery would increase apace.

The two gentlemen won for economics the title of the "dismal science."

Reclamation has made the Malthusians revise their timetables considerably by adding water to land. Science has reversed the trend which Ricardo foresaw of increased input per unit of production.

Two modern economists, Harold Barnett and Chandler Morse, of resources for the future, have taken a new look at the work and prospects for the human race. They have found that we are today producing goods of all varieties with the single exception of timber, at lower real cost—lower labor input—than ever in world history.

The two present-day economists write:

"The classical economists saw the process of growth as subject to limitations, and we agree. But they saw the limitations as residing in nature, and we see them as residing in man."

The world's great problems today, according to Barnett and Morse, are a lack of capital to modernize in the underdeveloped countries, and adjustment of human beings and human institutions in developed countries to the new processes, the new patterns, and the new products which have opened a vast new world of resources to us. We tend to cling to old institutions and old patterns, to resist progress.

There are about $5 billion of reclamation projects in the Federal planning pipeline. Anyone who investigates population growth, the nature of increasing food requirements, and the need for land use adjustment, soon learns that all of these projects which are economically feasible will be needed, and that more and more will be required in years ahead.

Anyone who studies population, present limitations on water supply, and the necessity for new approaches to development and management of water resources, soon realizes that we must adjust our institutions to take full advantage of all the new techniques of efficient management, use and reuse, and of scientific discoveries of every sort which are available to us.

The trend in reclamation legislation is to adjust reclamation programs to total water needs and programs. The trend in water legislation is to adjust institutions and programs to comprehensive, coordinated plans which take advantage of modern techniques and speed scientific progress in the field.

It is a matter of great pride to me, for I count myself a reclamationist, that this fraternity of men and their national reclamation association are still among the pioneers, the leaders with vision, in this all-important resources field, sponsoring and supporting the adjustment or our institutions as is necessary.

This association has a proud record. I think not only in terms of your legislative efforts, but in terms of water conferences, the national water symposium, and other educational efforts with which you have been identified.

NRA's place in history is that of a perpetual pioneer. It has created, guided, and given impetus to the sound and necessary trends in the whole water resources field necessary to keep this Nation strong and growing.

Those of us in Congress who attempt to translate these trends into sound and workable legislative enactments are indebted to you, and grateful to you for both the leadership and the unfailing and effective support you give us.

I cannot close without telling you how thankful we are that Bill Welsh is up and around, and that his recent painful physical experience was no more serious than it was. Bill Welsh's name has been synonymous with resource development, and especially western resources development, all the years of my life. It is completely impossible for me to think of this sturdy frontiersman ailing. He's one of the greatest woodchoppers we've got, and we can't spare him.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MORSE obtained the floor.

Mr. MORSE. Mr. President, without losing my right to the floor, I ask unanimous consent that I may yield to the Senator from Wyoming [Mr. SIMPSON].

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

TFX AND KORTH'S RESIGNATION

Mr. SIMPSON. Mr. President, I thank the distinguished Senator from Oregon for yielding me a few moments of his valued time.

Mr. President, I am compelled to take the floor to remind my colleagues that this is the last day in office of Navy Secretary Fred Korth.

The Secretary's resignation becomes effective today, and I think it appropriate to comment upon his departure from high public office.

There has been considerable speculation within the last week concerning the abruptness of the resignation. News dispatches seem to have been generally accurate in detail, but have they struck the main issues of the Korth case? I might comment in that regard that it is erroneous to think Korth was felled by a runaway aircraft carrier.

Let us examine, in summary, the actions of Mr. Korth while he served in the Cabinet as Secretary of the Navy.

First of all, Mr. Korth testified to his integrity during his appearance before the Senate Permanent Subcommittee on Investigations, when it was holding hearings on the TFX award.

His statement in the printed record, volume 7, page 1881 of July 28, 1963, says:

> Senator MUNDT, I repeat that I believe that I am a man of integrity. If you find or this committee finds that I am not, certainly you should so recommend to the President, and I will promptly hand in my resignation.

In view of Mr. Korth's modesty, and his invitation to do so, Mr. President, let us examine his integrity to determine whether an abrupt resignation from the Cabinet is sufficient action to clear the record. I doubt that it is sufficient. I believe the extent of Mr. Korth's improprieties far exceed the "indiscretions" that the newspapers have been discussing. The issue goes farther than a question that can be terminated simply by a resignation.

Mr. Korth was a defendant in a fraud action in State and Federal courts in Texas in 1961, shortly before becoming Secretary of the Navy. The suit was settled without going to trial by a judgment against the principals in the insurance company involved. Mr. Korth, one of those principals, was listed in the suit February 16, 1961. It is proper to ask

how he was introduced to the persons involved in the case.

Frank Pace, president of General Dynamics Corp., made the introduction that eventually brought Mr. Korth a quarter of a million dollars in stock—stock for which he was required to make no investment whatsoever.

Disturbing as the insurance story may be in its implications, it does not reach the heart of the Fred Korth case. In fact, it apparently failed even to reach the hearing that confirmed Korth's nomination.

What else must be said about the affairs of the recently resigned Secretary? We must strongly condemn, Mr. President, his use of his official stationery to promote his Texas banking interests. Did we not in the case of Harold Talbott see a Secretary of the Air Force compelled to leave his Cabinet post because he used his official stationery to promote his private business interests?

Mr. Korth has plaintively declared that his letters constituted "less than a dozen" instances in which he violated his trust as a top Government official. I submit, Mr. President, that his plea of relative innocence, his only action to clear the record, is not sufficient. "Less than a dozen" is a truly remarkable little phrase. Indeed this administration is something of a factory for the production of remarkable little phrases.

I recall, parenthetically, Mr. Korth's former overlord, Secretary of Defense McNamara, saying that:

> The guerrilla war (in Vietnam) can be substantially won in 2¼ years unless the political situation in Saigon prevents it.

The term "substantially won" might also be classed as a remarkable little phrase.

In any even, "one or more" would have been a little more appropriate to the Korth action. One or more instances would have been enough to violate the administration's own guides to proper and ethical conduct for Federal officials and employees.

We have seen that Mr. Korth did use his official stationery on these occasions to promote the welfare of the Continental National Bank of Fort Worth and his own interests as a man who intended to return to service with that bank once he had disentangled himself from the New Frontier.

The letters he has written and the letters he has received combine with evidence in the hands of the Senate Permanent Investigating Subcommittee to leave no doubt whatsoever that his intention has been to return to his post as president of the Continental National Bank of Fort Worth.

I call attention also to the numerous press dispatches telling of Mr. Korth's courtesy and courtly manners aboard the Navy yacht *Sequoia* as he dutifully bettered himself in the business circles to which he hoped to return by feting important customers of the Fort Worth bank—at the taxpayers' expense.

However, Mr. President, we must get to the heart of the matter of Fred Korth's actions. Let us examine his conflicts of interest, which evidently have not been considered worthy of investigation by the Department of Justice in spite of repeated suggestions from the Congress that such an investigation be initiated.

We must remember that, by his own testimony, Mr. Korth is a man of integrity. By his own testimony, Mr. Korth was one of the men who made the decision to award the TFX contract to the General Dynamics Corp. of Fort Worth, Tex., which by no coincidence happens to be Mr. Korth's hometown and the city where the Continental National Bank does its principal business. It is the city where General Dynamics is one of the bank's valued clients.

Mr. President, I call these facts to attention:

First. The General Dynamics Corp. placed deposits of amounts ranging from $100,000 to $500,000 in interest-free accounts in the Continental National Bank. The bank, of which Mr. Korth was formerly president and to which he intends to return, did in effect have the use of large sums of General Dynamics' money at no interest for long periods of time.

Second. Mr. Korth owned $160,000 worth of stock in the Continental National Bank.

Third. General Dynamics maintained a payroll account ranging from $25,000 to $40,000 in the Continental National Bank.

Fourth. Fred Korth, as president of the Continental National Bank, approved a $400,000 loan agreement to General Dynamics as part of a large loan that was managed by the Chase Manhattan Bank of New York.

It has been stated by the Justice Department that the amount was only "two-tenths of 1 percent of the total available under the agreement." Further, the Justice Department makes the fascinating comment that the "amount involved was less than one-half of 1 percent of the Continental Bank's deposits."

Mr. President, we are not concerned with minute fractions of percentages or insignificant comparisons as the Justice Department apparently wishes us to believe.

I suggest that if a masked man had entered the Continental National Bank, drawn a gun and absconded with no more than $1 of the bank's money—an amount one four-hundred-thousandths of the minuscule percentages the Justice Department has quoted—that man by his action would merit attention by the Justice Department.

I submit further that the percentages of a total as related to an insignificant principal have no bearing on a matter of justice and injustice, propriety or impropriety. We are dealing with title 18, section 434 of the laws of the United States, not disjointed comparisons. Section 434 provides:

> Whoever, being an officer, agent or member of, or directly or indirectly interested in the pecuniary profits or contracts of any corporation, joint-stock company, or association, or of any firm or partnership, or other business entity, is employed or acts as an officer or agent of the United States for the transaction of business with such business entity, shall be fined not more than $2,000 or imprisoned not more than 2 years, or both.

I repeat that we are not dealing with minute fractional percentages or comparisons, Mr. President. We are dealing directly with conflicts of interest by the Secretary of the Navy. We are dealing with a man who, by his own declaration, is the past and future President of Continental National Bank.

Senators will recall that I took the floor July 29 to compare Mr. Korth's action to the Dixon-Yates case. I suggested at that time the Secretary had violated the conflict-of-interest statute by entering into "temptation fraught relationships." I recall again the words of the Supreme Court in the Dixon-Yates case that "The statute"—meaning the conflict-of-interest statute—"is more concerned with what might have happened in a given situation than with what actually happened."

In the case of Fred Korth, Mr. President, we have both qualifying situations—what actually happened and what might have happened.

Continental National Bank's loan to General Dynamics was outstanding in January of 1962 when Fred Korth bebecame Secretary of the Navy, and it was not paid out until April of 1963—months after Mr. Korth had played a major and decisive role in the TFX decisionmaking.

Why did General Dynamics need the loan? It had undergone the largest corporate loss of any business concern in American history.

Why does General Dynamics now seem to have a glowing future? Is it because Mr. Korth participated in the decision that gave General Dynamics a Government contract that promises to total more than $10 billion—the largest contract in our history?

Is there any doubt whatsoever, Mr. President, that Fred Korth was derelict in his duty in not disqualifying himself because of conflict of interest from participation of any kind in the TFX decision? Can there be any question that Mr. Korth's conduct was improper, injudicious, and suspect?

A resignation, hurried though it may have been and given a smokescreen provided by an aircraft carrier—the largest such smokescreen in American naval history—is not sufficient, Mr. President. A thorough investigation by the Department of Justice is not only necessary but long overdue. I importune my colleagues to make similar requests so that the Department of Justice can proceed with such an investigation fully cognizant that it has the backing of the U.S. Senate.

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

Mr. SIMPSON. I yield to the distinguished Senator from Iowa.

Mr. HICKENLOOPER. I congratulate the Senator from Wyoming on a vigorous, clear-cut, and concise pointing up

of some of the rather remarkable situations that exist, including the Korth case. It is rather strange that the voices which we heard raised in this Chamber and in other places 3 or 4 years ago on matters of practically no consequence, but exaggerated into great smokescreens, seem not to have been raised for some reason or other in connection with the Korth case, in connection with TFX, and in connection with some other matters.

They have been strangely silent, at least on the other side of the aisle. I congratulate the Senator from Wyoming for calling this situation to our attention. I compliment him on the vigor with which he points out that the defense of integrity in conflicts of interest must be attended to by us. I am glad I had the opportunity to hear this very pointed discussion, which is a followup of others which the Senator has had, and which he has said in his remarks he will pursue at a later date in connection with other subjects. I shall look forward to the results of his investigations.

Mr. SIMPSON. I thank the Senator from Iowa.

Mr. JAVITS. Mr. President, with the permission of the Senator from Oregon, will the Senator from Wyoming yield?

Mr. SIMPSON. I yield.

Mr. JAVITS. I serve on the Permanent Investigations Subcommittee. Fred Korth was a witness before the subcommittee. The questions which the Senator from Wyoming has raised were, to some extent, ventilated. I know the Senator, who has made these charges, to be a man of the utmost fairness, so I am sure he understands that there are always two sides to every story. I am enough of a lawyer to understand that. The Senator is a most distinguished and able colleague.

That having been said, the public should keep its mind open, having heard the charge, to hear the answer. This is only fair, especially since some of these matters have been considered by the Permanent Subcommittee on Investigations of the Committee on Government Operations.

I say to the Senator from Wyoming, out of respect for him, that I shall study with the greatest care the new analysis which the Senator has presented about the circumstances of the resignation. If I believe in all good conscience that it is the right thing to do, I will ask the chairman of the committee, the distinguished Senator from Arkansas [Mr. McCLELLAN], to recall Mr. Korth. Even though he is not now Secretary of the Navy, he is still subject to being recalled before any Senate committee. But as I say that—and I believe it is my duty to say it—I am sure that the Senator from Wyoming will agree with me, much as he is convinced that he is right, that we are dealing with a man's reputation, and there is complete immunity on the floor of the Senate. An important charge has been made, so the public should keep its mind open as to what might be the answer—which we are not aware of—to a very important charge.

I assure the Senator from Wyoming that I shall take his charge seriously and consider it carefully, in view of all the testimony that has been given on the subject already. If, in my honest judgment, I think Mr. Korth ought to be recalled, I will ask the chairman to recall him. The Senator from Wyoming himself could make that request of the Senator from Arkansas without my doing so; but I am stating unilaterally my own point of view.

Mr. SIMPSON. I thank the Senator from New York. I have nothing but admiration for his ability in matters of this kind. I know what a great prosecutor he was. I know he would recognize the truth from conviction. I am grateful for the observation he has made.

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

Mr. SIMPSON. I yield.

Mr. CURTIS. So far as I am concerned as a member of the Committee on Government Operations, I feel that Mr. Korth should return to give further testimony. I also point out that the objective of this investigation is public in nature. It is to ascertain what happened. It is to find out how our procurement system operates. It is to ascertain the facts as to any impropriety or the lack thereof. Its purpose is not to smear individuals or to put them on a pedestal with praise. We shall have to see what the facts are and follow the facts.

To my mind, there are many things about the TFX investigation which remain to be answered. Secretary Zuckert stated in his testimony that high officials in the Department of Defense, at the Secretary's level, had never read the so-called fourth evaluation report when they made their decision. When those officials made their first appearance before the committee, we were led to believe that it was upon the basis of the fourth evaluation report that the decision was made. I think all the Secretaries must be asked whether they would agree with Secretary Zuckert's position.

The mere fact that the bank of which Mr. Korth is an official, and to which I presume he is returning, had business transactions with the company that was successful in getting the contract is a subject which, by its very nature, must be thoroughly inquired into.

The record will also bear out that not only was the TFX contract involved, but other contracts, as well, as to which the award did not go to the lowest bidder, in cases in which the services—both civilian and military experts—had recommended the lower bidder from the standpoint of the quality of product or weapon or machine that was preferred.

I commend the Senator from Wyoming for keeping this issue before the Senate, because many questions remain to be resolved. The Senate should know what the policy of the Department of Defense is—whether it is good or bad—in the operation of the various branches of the armed services, upon which not only we, but the whole free world, as well, depend.

Mr. SIMPSON. I thank the Senator from Nebraska for his comments. I assure him, as I do the Senator from New York [Mr. JAVITS], that it is not easy to go into these matters, to bring the information out, and do the research necessary to make such a statement as I have made. It is not easy, especially when a person's personal life and integrity are involved. But by the same token, this body must look with a jaundiced eye upon any transactions such as have been portrayed.

I digress to say that it has just been revealed on the teletype that Senator McCLELLAN has indicated that Mr. Korth will be recalled.

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

Mr. SIMPSON. I yield.

Mr. MORSE. I wish to accommodate the Senator, but I find myself in a difficult situation. I wish to yield to the senior Senator from Colorado, who desires to move to reconsider a bill. I find myself in an embarrassing situation. It is necessary for me to attend a conference on the education bill at 2 o'clock. I have a 1-hour speech to deliver. I do not want the junior Senator from Colorado [Mr. DOMINICK] to think that I am the least bit impolite, but I shall have to decline to yield longer to continue this discussion.

I have always been opposed to conflicts of interest, no matter whether the individual involved was a Republican or a Democrat. I was a leader in the opposition to Secretary of the Air Force Talbot some years ago, because I thought he was guilty of a conflict of interest. I think Mr. Korth is, also. As to the question raised by the Senator from Wyoming [Mr. SIMPSON] concerning conflict of interest, I agree.

I am glad he made the statement he made about the situation in Vietnam. I shall have more to say about that later in the course of the debate on the foreign aid bill.

If Senators will not be offended, I wonder if they would permit me to yield to the senior Senator from Colorado [Mr. ALLOTT], who desires to make a motion. The motion has been cleared with the leadership. I am glad to oblige him.

Mr. SIMPSON. I am most grateful to the Senator from Oregon for yielding to me. I deeply appreciate his courtesy.

THOMAS B. BOLLERS AND EARLENE BOLLERS

Mr. ALLOTT. Mr. President, I express appreciation to the distinguished Senator from Oregon for permitting the Senate to take care of this technical matter.

I ask unanimous consent that the Senate reconsider the votes by which the bill (S. 1129) was ordered to be engrossed for a third reading, was read the third time, and passed yesterday.

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

The LEGISLATIVE CLERK. A bill (S. 1129) for the relief of Thomas B. Bollers and Earlene Bollers.

The PRESIDING OFFICER. Without objection, the request of the Senator from Colorado is agreed to.

Mr. ALLOTT. Mr. President, I move that the bill be amended, on line 4, by changing the section number from "2732" to "2733".

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to.

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

The bill (S. 1129) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the time limitation prescribed for filing claims against the United States under section 2733 of title 10, United States Code, the Secretary of the Army is authorized and directed to receive, consider, and act upon any claim filed under such section by Thomas B. Bollers and his wife, Earlene Bollers, if such claim is filed within one year after the date of enactment of this Act, the said Thomas B. and Earlene Bollers having allegedly sustained financial losses as a result of the water supply for their house having been contaminated by the disposition of waste chemicals from the Rocky Mountain Arsenal, Colorado: *Provided,* That nothing in this Act shall constitute an admission of liability on the part of the United States.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MORSE. Mr. President, several days ago I called upon the Secretary of State to make available to me the facts in answer to allegations that were being made, both in this country and by some of our friends abroad, that the withdrawal of U.S. mission personnel in both the Dominican Republic and Honduras was a token withdrawal and not a substantial withdrawal.

This morning I was delivered, by hand, a letter of October 30, 1963, from the Secretary of State. In the letter he sets forth information which he has made available to me and, through me, to the Senate. I ask unanimous consent that the letter of the Secretary of State be printed at this point in the RECORD, together with the reply I sent to him this morning.

Mr. GRUENING. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield.

Mr. GRUENING. Will the Senator from Oregon be kind enough to give us a brief summary of the letter from the Secretary of State, so that we shall not have to wait until today's CONGRESSIONAL RECORD is available to us tomorrow, in order to have the benefit of the letter?

Mr. MORSE. Certainly. The letter is only three pages in length, and I shall read it at this time:

THE SECRETARY OF STATE,
Washington, October 30, 1963.

The Honorable WAYNE MORSE,
U.S. Senate.

DEAR WAYNE: I very much appreciate having the thoughts set down in your letter of October 23, 1963, regarding the recent coups in the Dominican Republic and Honduras. I share your concern with respect to these developments and by my statement of October 4 intended to convey the view that the military overthrow of any freely elected government guaranteeing fundamental human rights to its citizens is indefensible. This was also the intention of Assistant Secretary Martin in his article for the New York Herald Tribune of October 6, 1963, who made clear, I thought, that the United States does not and cannot condone military coups.

With regard to the withdrawal of U.S. military and economic assistance personnel from the Dominican Republic and Honduras, also covered in my October 4 statement, I can assure you that this is not a pro forma gesture being carried out on a token basis. Both military and AID personnel, with their families, are being withdrawn from both countries as quickly as packing, transportation, and reassignment can be arranged.

We have been advised by the Department of Defense that of the 23 officers and 29 enlisted men in the Dominican Republic, 10 officers (the MAAG Chief, the Chief of the Army, the Navy, the Air Force Sections and two additional officers from each service) and 3 enlisted men (a total of 13) were scheduled to have departed by tomorrow. Similarly, the Department of Defense advises that of the 9 officers and 13 enlisted men in Honduras, the Chiefs of the Army and Air Force Missions and an Army officer have already departed. By November 15 only skeleton staffs will remain for the protection, maintenance, and accounting of U.S. property, pursuant to responsibilities under the Foreign Assistance Act.

Of the AID complement of 27 at post in the Dominican Republic, reassignment orders have been issued for 22, and of these, 13 have already departed with their families and personal effects. Eight more will leave by next Wednesday, November 6. With respect to Honduras, 22 of the total complement of 35 AID personnel have departed. By November 15 only four will be left in Honduras and only five in the Dominican Republic.

With respect to the substantive policy questions presented by a military usurpation of power, I believe that we must utilize every instrumentality compatible with the objective of obtaining, as soon as possible, a reaffirmation of the public will through elections and a guarantee of basic rights and liberties. However, every action we take and every instrumentality we utilize to that end must be carefully chosen on the basis of an assessment of their prospects for achieving the results we seek. In making this choice we must have maximum flexibility, including the opportunity to engage in the very delicate consultations that may be required to realize our goals.

I believe, of course, that all countries in this hemisphere have a common interest in this problem and that they should share responsibility for developing a joint approach toward its solution. We are carefully consulting with all Organization of American States members to that end. As you may know, there is a move on foot to call a foreign ministers meeting in order to consider military coups. In addition, the problem of isolating dictatorial regimes is a subject on the agenda of the 11th Inter-American Conference now scheduled to be held at Quito next March. We are supporting all reasonable efforts that might lead to an effective multilateral approach to this issue which concerns every country in the hemisphere.

After offering the above outline of our policy toward military coups in Latin America and how we are seeking to implement it, I should like to take this opportunity to say that Mr. Martin continues to hold my complete confidence. He is an exceptionally fine public servant and is doing an outstanding job in what, I know you will agree, is a difficult area of our foreign relations.

With warm regards,
Sincerely,

DEAN RUSK.

I replied to that letter by thanking the Secretary of State for the information, and by saying that I did not seek to raise any question about the qualifications of Mr. Martin, but had questions only about his judgment.

Mr. President, I ask unanimous consent to have my reply printed at this point in the RECORD.

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

OCTOBER 31, 1963.

The Honorable DEAN RUSK,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I have just received your letter of October 30, 1963, which was delivered to me by hand this morning.

I deeply appreciate receiving the information contained in it. After reading it, I called Mr. Fred Dutton, Assistant Secretary of State for Congressional Affairs, and asked him if it would be within the proprieties for me to make available to the Senate the information contained in the letter. I told him that in view of the fact that I had been concerned about whether or not the withdrawal of American mission personnel in the Dominican Republic and Honduras was only a token withdrawal, it was only fair to you to put the facts contained in your letter into the CONGRESSIONAL RECORD. He assured me that it would be very proper for me to do so.

I wish to assure you that my criticisms of Assistant Secretary Martin do not reflect upon his qualifications but only upon what I consider to be his mistake in judgment in writing the New York Herald Tribune article of October 6, 1963. I think the wording of the article has justified the critical interpretation of it that has been made by many of us in the Senate and by many of the friends of the United States throughout Latin America.

With best wishes, always.
Sincerely,

WAYNE MORSE.

Mr. GRUENING. Mr. President, will the Senator from Oregon yield for another question?

Mr. MORSE. I yield.

Mr. GRUENING. I wonder if the Senator from Oregon noted an interesting item in a special dispatch printed this morning in the New York Times, as follows:

LEADERS BAR POLICY SHIFT

SANTO DOMINGO, DOMINICAN REPUBLIC, October 29.—The provisional Government of the Dominican Republic, operating under growing pressures of extreme rightwing civilian and military factions, has decided not to make political concessions as a price for recognition by the United States.

The article also states that they will not do even what they promised to do—namely, hold an election—and that they say they do not need our aid and will get along without it. I think that is a very important fact.

Mr. MORSE. They should be invited to try that course.

Mr. GRUENING. By all means.

Has the Senator from Oregon also noted that the Government of Britain has recognized the junta?

Mr. MORSE. Yes; and I would expect that from the Conservative Government of Britain.

Mr. GRUENING. Is not that rather a retaliation for our refusal to recognize the overthrow of the Government of Yemen? I wonder whether there is some connection between those two actions.

Mr. MORSE. There might be; who knows what the cause-and-effect relationship might be in connection with anything Great Britain does? But that would be quite in line with Britain's historic support of juntas.

Mr. GRUENING. I thank the Senator from Oregon.

Mr. MORSE. Mr. President, as I have already stated, at 2 o'clock I shall have to attend a meeting of the conference committee. At that time, other Senators will speak here, after I yield the floor.

Therefore, I prefer not to yield in the course of my speech, inasmuch as it is for the purpose of providing the RECORD with information, and also for the purpose of providing the American people with further information in regard to why the pending bill either should, in the public interest, be drastically modified or should be defeated here on the floor of the Senate.

Mr. President, I wish to address myself to some of the arguments being advanced in support of the pending bill. It is evident that a heavy burden of proof lies with its supporters.

It is a heavy burden of proof to sustain. If it were possible to point to an upsurge in the successes of the aid program, or if it were possible to point to trouble spots necessitating a huge outlay of American money, justification for a higher level of aid might be self-evident. But the self-evident, prima facie case lies against adding $700 million to the House version of the bill, not in support of such an addition.

So we are hearing a series of arguments which shift the basis for foreign aid. It is now being said that foreign aid is good for the American economy. The difficulty in making out a case that it is good for American foreign policy is tending to force its advocates into a new line of argument. So we are told that 80 percent of our aid dollars are spent in the United States, and that they provide jobs, according to one estimate, numbered at around 700,000.

This is advocacy of a makework program. But its products do not go into the enlargement of the American economy or the comfort of the American people. They go to others.

And when this argument is made, it must be remembered that about one-third of the funds under discussion are for military hardware. If we are starting now with the continuation of a munitions program because of the jobs it provides to Americans, then one can only imagine what outcries will go up whenever it becomes possible to reduce our defense budget.

In my opinion, the argument that foreign aid is good because it keeps American factories operating is the most insidious argument being made today in support of the program. I call it an argument of bribery.

A close relative of the "foreign aid is good for the U.S. economy" argument is the point now being heard frequently that because we send goods instead of money out of the country, the program has no bearing on our balance-of-payments problem.

But the fact remains that we send these goods overseas without their being paid for by people overseas. Some defenders of the program are loosely referring to goods sent abroad under foreign aid as "exports." But they are not exports, and I think there is a considerable element of misrepresentation in calling them that. They are goods paid for by the American people, for which we get no payment and do not expect any for periods up to 40 years.

When we do not ask for or receive payment for our goods, dollar reserves from trade, investment, tourism, and American military spending are built up that otherwise might be used to buy some goods from us.

No one will ever buy what is being given away. Hence, dollars can be used for other purposes, including the purchase of our own gold. Our civilian commercial activities alone are not responsible for our balance-of-payments plight. It is the additional outlay for our worldwide Military Establishment and the furnishing of goods on a "pay later, if ever" basis called foreign aid that is putting us in the hole.

The fact also remains that when we send goods abroad instead of dollars, we are still sending resources abroad. We are building schools, factories, harbors, and industrial plants abroad that need to be built in the United States. Many of them are now in competition with us. We need schools, factories, harbors, and industrial plants built anew here in the United States.

Shortly I shall leave the floor of the Senate to go into a conference to deal with proposed legislation that bears upon the great educational crisis in the United States. Mr. President, we need schools. We had better take a long, hard look at the giveaway program involved in the foreign aid program in our country. We ought to prevent some of that expenditure for benefits abroad and start paying attention to the needs of America's boys and girls in the schools of our country, for their brainpower happens to be our greatest defense weapon.

I cannot accept the argument that the expenditures that we anticipate in connection with the foreign aid program do not have any bearing upon our balance-of-payments problem. They have a direct bearing. The time has come to call a halt in this wasteful program, which tends to weaken the greatest defense weapon that we have namely, the potential brainpower of our country. We are being told that because of the expenditures we are making for foreign policy reasons, we cannot have an adequate school bill such as we ought to have. In my judgment it is a program also that is weakening the economy of our country. When the economy of our country is weakened, our country's freedom is jeopardized.

We know that much of our industrial plan is out of date, compared with our competitors in Europe and Japan that we financed to put back on their feet. As foreign aid progresses into programs for the underdeveloped nations, we will be constructing and sending abroad a continuous supply of capital goods badly needed here at home.

The "make work" argument falls to the ground when one keeps in mind that the goods being produced are very often capital goods that would have great value to the American people if kept at home, and which have great competitive value for the countries receiving them.

THE COMMUNIST TAKEOVER SCARE

Over the years, an increasing emphasis has been placed upon the sending of a large proportion of our aid to countries around the fringe of the Communist bloc. But as the years go by, I am increasingly skeptical of the conception that it is our aid that is keeping them from falling behind the Iron Curtain. I am skeptical because I think the first and foremost deterrent to Communist aggression against one of these neighbors is the military power of the United States itself, not the military equipment we send to others. It is first and foremost the nuclear arsenal of the United States that holds back both the Soviet Union and Communist China from aggressive adventures.

Second, we largely duplicate the help we give others to defend themselves by sending American military forces to the parts of the world that we consider so vital to our interests that we cannot entrust them to others. Despite all the claims made about how much the Marshall plan has restored Europe, how much better she is able to defend herself, how many goods she is able to buy from us, and in general what a success foreign aid has been in Europe—in spite of all that, the United States still has some 400,000 troops stationed in Europe.

Yesterday on the floor of the Senate I referred to certain discussions which I had with members of the Armed Services Committee whose judgment in connection with the military policies of our country is not questioned here in the Senate. We know the great record that those men have made. Do Senators know what they told me? They said, "Do not buy the argument that we must keep those boys over there in such numbers. In round numbers, there are six divisions of American boys in Germany. We do not need two divisions. Germany knows that two divisions are not needed. Germany knows that she will be protected by the nuclear power of the United States."

Yet the Secretary of State went to Germany and, on behalf of the United States, gave assurances that we would not bring those divisions home. He had no right to do so. He had no authority to do so.

The time has come for the American people to make it clear to this administration that the people have the right to check how many boys will be kept in Europe. Before the debate is over, Senators will have an opportunity to vote on whether or not they wish to keep six divisions in Germany. I shall do my best to give them that opportunity, be-

cause I am sure they will be eager to vote in a yea-and-nay vote on the issue. Then I shall do my best to see to it that the yea-and-nay vote is known in the precincts of America from coast to coast, because the waste of money through the maintenance of American troops in Europe who are not needed there must stop.

As the members of the Armed Services Committee who consulted with me on this subject said:

There is another myth, WAYNE, that needs to be burst in the debate. A great propaganda job has been done by the proponents of West Germany in the United States. Most people think that West Germany has lived up to her commitments. But West Germany has never, up to this day, lived up to her commitments in regard to supplying the troops she is supposed to supply. She has done better than some other countries, but not well enough. They are more cooperative than France, Great Britain, and Canada.

I have been heard to say before, but it needs to be driven home time and time again, that the United States has more American boys in uniform in Europe than France, Great Britain, and Canada combined. It should stop.

Before the debate on the bill is over, Senators will have an opportunity to stand up and be counted in regard to how much more American taxpayer money they wish to vote to give support to a NATO structure that ought to be thoroughly overhauled before we vote another dollar to NATO.

The time has come to stop pouring into a bottomless pit the resources of the American taxpayers and calling it foreign aid.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Does the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. YOUNG of North Dakota. I commend the Senator from Oregon for his courage in standing up and fighting for what he believes to be right. The time is long overdue when we should withdraw some of our troops from Europe. We are living in a modern day with more modern warfare requirements. The countries of Europe can better afford to maintain their troops over there than we can to maintain our own. As the Senator has well pointed out, we have more troops in Western Europe than have most of the countries of Western Europe. We have kept all of our commitments, and they have not. Moreover, they have reached the point where they no longer even appreciate our help.

Mr. MORSE. Not only that, but we are constantly confronted with an audacious anti-American program and attitude on the part of our so-called NATO allies.

In the language of today, Mr. President, "I have had it."

I advise the administration that it will soon wake up to the fact that the American people "have had it," too.

I have been pleading, as a member of the administration, for a procedure in the course of this debate to reconcile some of the major differences which have developed over the bill.

I hear, over the Senate "grapevine," that the present attitude within the Senate is not to send the bill back to the committee for some executive conferences in respect to it.

I say to the leaders of the Senate, "Be perfectly sure you have checked downtown, to determine whether there would be objections downtown to sending the bill back to committee for consultations behind the executive doors of the committee."

I speak for myself, and for no one else, but in my opinion in recent days the administration has learned that it is in serious trouble with American public opinion on foreign aid. It had better right itself with American public opinion on foreign aid. If it is to do so, it will not look askance at the major proposals some of us are making as to the rewriting of the bill.

The bill should be rewritten in an executive session of the committee, not in the Senate. But it will be rewritten in the Senate if the administration and the leadership of the Senate do not wish to have it rewritten in the committee room.

In respect to the so-called Communist takeover scare, which is always blown up out of proportion every time a foreign aid bill is before the Senate, I have become increasingly skeptical about the conception that it is our aid which is keeping countries from falling behind the Iron Curtain. We are maintaining 400,000 troops on the fringes of communism in Europe. We do not need to maintain that many there.

Perhaps, as the advocates of this bill are saying, it is cheaper to put one Turk or South Korean in the field than one American. But the thing which is wrong with that argument is that we put them both in the field. The South Korean Army of 600,000 costs us an average of around $330 million a year; but would anyone suggest that it defends South Korea? We have 50,000 troops there of our own to defend South Korea. The large army of Chinese that we maintain on Taiwan at a cost in economic and military aid of around $160 million a year does not defend the island from invasion by Red China. What does? The U.S. 7th Fleet does.

Mr. President, we provide one of the greatest full employment programs imaginable for Formosa. We are providing full employment for more generals at high pay in the Chiang Kai-shek military forces than there are in all the American defense system. There are more generals in Chiang Kai-shek's army—with salaries paid largely by the American taxpayers—than there are in the entire Military Establishment of the United States.

Some people thought I was a bit unkind the other day when I stated that the American taxpayers are being "rooked." Some thought that was an ugly word. I repeat it. They are being "rooked." I add today, they are being fleeced by a foreign aid program that the administration has a clear duty to revise.

I was criticized the other day because in my speech last Monday I said to the American people, "Watch that rollcall. I do not care whether those who vote are Republicans or Democrats; if they are not willing to vote to stop this waste beat them the next time you walk into the American citadel of freedom, the voting booth. They must be retired from the Congress of the United States."

If my administration does not like that language, that is too bad. I have never put partisanship above what I consider to be truth and principle during my 19 years in the Senate, and I do not intend to start doing so for the Kennedy administration.

Let this administration keep it in mind that the groundwork is being laid in the debate for a historic campaign in 1964. This administration will have to take its final position on the bill to the American voters in 1964. In my judgment, if it does not change its position, it will not be able to justify its position in that campaign.

Democrats running for election in that campaign will come to understand the truth of the statement I have made. The Republicans should not take false satisfaction from it, because the voters will be looking at the Republican voting records, too. On this program the American people will be nonpartisan, because they know that the program involves basic security issues for this Republic.

When security issues for this Republic are raised, the American people are not concerned with partisan considerations.

I have tried for 5 years to change the trend of American foreign aid. For 5 years I have offered amendments in the committee and in debates. Until last year I took the legislative strategic position that perhaps the best policy was to do the best I could, to obtain as many improvements as I could, and then to vote for the bill. Last year I did not do so. I said, "I am completely fed up now. If we cannot get a bill sufficiently reformed to meet the major objections I think ought to be met, I shall vote against the bill."

Colleagues of mine on the Republican side of the aisle, as well as colleagues on the Democratic side of the aisle, pleaded with me not to follow that course of action, because I was running for reelection. They did not believe it was politically wise for me to do so. They said it might cost me some votes. Some had difficulty in believing that I meant it when I said it was not important that I remain in the Senate but it was important that while I serve I vote in accordance with what I believe is right.

So I did not support the authorization conference report or the appropriation bill last year, and I took the issue to the people in my State in my campaign. Although I was charged with being some kind of neoisolationist, the people did not agree, as evidenced by the fact that I increased the percentage of my victory over that in 1956.

There is an old-fashioned notion that is almost obsolete in Washington these days; namely, that the constitutional fathers meant it when they established a system of representative government, that this is a system of representative

government, and that the elected officials have the responsibility of representing the will of the people.

I believe that a Senator cannot represent the will of the people and vote for the bill. But, one may say, there are many facts concerning this matter that the people do not know about. That is true and we in Congress and the executive branch of Government must assume a major responsibility for that, because we do not tell them.

I see the Senator from Alaska [Mr. GRUENING] nodding his head.

The reason why we do not tell them is that we cannot tell them. The reason why we cannot tell them is that so much of the information is marked "top secret." Most of it should not be. At least 85 percent of it should not be.

The American people are being denied their rights. It is not new under this administration. A similar situation existed for 8 years under a Republican administration. But it is growing year by year, and the American people are being led down the road of government by secrecy faster than they know.

Section after section of the bill involves information that we cannot tell to the American people on the floor of the Senate in public debate. That violates the precious American right under our system of government that in a democracy there can be no substitute for full public disclosure to the people.

It is about time for the veil of secrecy to be lifted. I said "veil." It is one of the most dangerous Iron Curtains existing in the world. It is the same kind of Iron Curtain that Russia maintains against full disclosure to the Russian people. I hope, in the not too distant future, that we shall be able to obtain some legislative implementation in the Congress of the United States that will give the American people the protection to which they are entitled—legislation that will tear down the Iron Curtain, and once again open the minds of the American people to the facts, so that they can analyze them and judge for themselves what American foreign policy should be—without having to take what is handed to them by the grace of some administration.

The Frankenstein's monster that we created in South Vietnam and maintain at a cost of $1 million a day in a country of 14.5 million people is not protecting Vietnam from the Vietcong.

We still must send at least 12,000 Americans to do it. Since I dictated this speech, I have learned that the figure should be higher than set down in the speech. It may be as high as 15,000.

The Senator from Wyoming had some pertinent comments on this matter earlier today.

I was against going into South Vietnam. I am against staying in there, for many reasons—not only for the reason that we are supporting one of the most vicious tyrants in the world, but also because the best chance of establishing a non-Communist regime in South Vietnam is to cease supporting a dictatorial tyranny in South Vietnam, and let many of the anti-Communist leaders of South Vietnam now in exile—driven into exile by Diem—come back to South Vietnam and establish a free government there. They will take care of the Communist threat.

I would be willing, under such circumstances, to give economic aid and some military aid to them, but I would not be willing to send American boys to South Vietnam to die.

I wonder what this administration thinks will be the situation in this country if the casualty lists in South Vietnam reach 500, with no support from New Zealand, Australia, Canada, Great Britain, France, and the rest of our alleged allies, or from the SEATO countries. I would once again raise a warning flag to this administration. If the casualty lists reach anywhere near 500, get ready for a public repudiation, for, in my judgment, the American people are not ready or willing to have American boys killed in South Vietnam in the name of an anti-Communist drive, when the fact is that we are supporting tyranny in South Vietnam.

In case these forces in Asian trouble spots are not enough, we also keep around 100,000 men in nearby Japan, Okinawa, and the Philippines for use where they may be needed. In each of these countries, and elsewhere on the Communist perimeter, if real aggression develops, it will be the might of Uncle Sam that will defend them. The aid we send to maintain their bloated military establishments is largely wasted.

A third reason why I think we delude ourselves when we attribute to foreign aid the power to keep the Communist menace at bay is the fallacy of believing that any one of these peripheral countries will put American interests ahead of their own. Because they take our money does not mean they have our interests at heart. They have their own interests at heart, and only sometimes are they the same as ours.

Because the Nhu-Diem regime in Vietnam takes our money does not mean it will advance or protect American interests. Like Chiang Kai-shek, like Syngman Rhee in Korea and his successors, the Nhu-Diem government is mainly interested in consolidating its own power. A Communist threat is a good reason for them to get American aid, especially military aid. But they will use it against anyone who threatens their power. So the ill will they create among their own people rubs off on Uncle Sam as well. This is one of the evils of our military aid program almost everywhere in the world, and it still does not enable the recipient to turn back a real Communist threat.

TAIWAN

I have already alluded in greater detail to the situation we created in Taiwan that is going to fly back in our faces one of these days. Chiang Kai-shek has ruled Taiwan under martial law ever since he arrived there. The people of the island were, in most respects, better off before he came than for many years after he arrived. It has taken an American subsidy in the magnitude of between $4 and $5 billion to bring the level of the Taiwanese people back to what it was before Chiang was ensconced there.

Taiwan is usually pointed out as a shining example of what can be done with foreign aid. But when, Mr. President, you start with a highly literate population, and a people already experienced in light industry, and then pour in American dollars at the rate of $11.60 per person per year for 16 years, you are bound to get results. That is the per capita rate only for economic aid. Considering the whole $4.3 billion we have sent to Taiwan, we have spent money there at the annual rate of $24.80 per person for 16 years.

Yet when Chiang Kai-shek, who is now a very elderly man, departs from the scene, I think the American people are going to find they have created another South Vietnam on Taiwan. The people of Taiwan live under what is to them a foreign ruler, a foreign ruler imposed and maintained with American money. Someday we may reap a bitter harvest from that investment, and all the money we have sent will only be in addition to the real protection of the island against Communist aggression—the U.S. 7th Fleet and the other nearby American military forces.

PAKISTAN AND INDIA

A somewhat similar situation exists in Pakistan. Pakistan has received military aid alone from us in what has been called a saturation program. Military aid in years past to Pakistan is still classified, for some reason that has never been explained to me. But its economic aid has totaled around $2 billion.

All this aid was sent to Pakistan on the assumption that she was anti-Communist. As a member of SEATO and CENTO she received aid under both alliances. But when Pakistan found a chance to advance her national interests against India, we found she was anti-Russian Communist but not anti-Chinese Communist. Pakistan has opened the Asian door to Red China, and her ministers brag of her friendship with the Communist regime.

I am perfectly willing that Pakistan should, if she chooses, base her foreign policy upon fear of and animosity toward India. That is her sovereign right. But I cannot see a single basis left for any military aid to Pakistan; nor can I see any basis for much of the economic aid we are continuing to send on the assumption we now know to be false—that Pakistan is a bulwark against communism. She is a bulwark against India, but I question that that is worth to the United States the level of aid we are extending to Pakistan. One of the amendments I have introduced would reduce the projected aid to both Pakistan and India to 75 percent of the economic aid planned for them, and to 50 percent of the military aid planned for them. I do not know of any other way to protect the interests of the United States in that part of the world.

In my opinion, the United States will make a serious mistake in southeast Asia if we continue building India up against Pakistan and vice versa. Under the country-by-country presentation figures for fiscal 1964, it can be seen that we contemplate extending to India a new and large military aid program. Once we

do that we are committing to the defense of India whatever American forces it may take to protect her. I have no idea where such a policy will lead, and I do not believe our policymakers in AID, the State Department, and the Defense Department know, either.

They only know that whenever anyone anywhere in the world says the magic words: "anti-Communist," the coffers open and the money pours out. Once the flow has started, the recipient does not even have to go on being anti-Communist—the money will keep coming, anyway.

INDONESIA

When the bill was presented to Congress, it appeared that we were embarking on the same venture on behalf of Indonesia. That country was added to the list for both military aid and for the supporting assistance which is an economic grant to support military forces. Questions of how the military forces of Indonesia might be used would no more occur to our aid administrators than they occurred to them in the case of Pakistan and India.

Thanks to the embarrassing revelations in the House Appropriations Subcommittee that Indonesia was buying expensive jet airliners at the same time she was pleading poverty to our aid administrators, and thanks to Indonesia's aggressive policies toward Malaysia, there is some reason to hope that economic and military aid to Indonesia will be sharply reduced by the administration.

But experience is a good teacher; and it has been my experience after 15 to 16 years of watching the foreign aid program that once the authorization and appropriation bills are adopted, the administrators of it consider the "heat" to be off. We can then expect aid to Indonesia to resume, unless we do something about it in this bill.

TURKEY

Still another, and if possible, worse, example of useless aid to nations on the periphery of the Communist bloc has been our aid program to Turkey. I talked about Turkey in the Senate earlier this year, and invited the Agency for International Development to submit a comment upon the criticisms I made. It did so in a memorandum which I now ask unanimous consent to have printed in the CONGRESSIONAL RECORD.

(See exhibit 1.)

Mr. MORSE. The statements attributed to me are, of course, those allegations about the waste of foreign aid reported to me and to all Members of the Senate by Prof. Alex Dragnich of Vanderbilt University, who spent some time in Turkey as a visiting professor of political science.

In a moment I will take up some of the specific problems in Turkey. But I start by pointing out that U.S. aid to Turkey is one of the longest and biggest of all our foreign aid programs. It began in 1947; it was supposed to be a 15-month program. In the 16 years since it began, we have poured over $4 billion into Turkey. She is getting vastly more aid now than in 1947—over $300 million a year and over half of it in outright grants. That is giveaway money. Next year, Turkey will continue to receive development grants and supporting assistance, plus grant military aid and development loan aid.

The question is, What progress has been made and what good has been done? The damning evidence against the U.S. aid program in Turkey was published this spring in a report on Turkey by the Organization for Economic Cooperation and Development. It begins:

During much of the 1950's Turkey suffered heavily from inflation and from economic policies which ill served the country's basic economic problems. Despite a very rapid increase in population, the real gross national product increased more slowly in Turkey than in the rest of Europe; the standard of living showed virtually no improvement between 1953 and 1961. And such limited growth as did take place was only achieved by extending the area under cultivation beyond economic limits and by piling up foreign debts which today constitute a heavy burden. Too much of the investment carried out during this period was misdirected; and the policies concerning pricing, production, credit, foreign trade, and the exchange rate gravely distorted the cost and price system.

Although the OECD is too polite to say so, they are talking about the United States as much as about Turkey. The economic policies which ill served Turkey's needs were made possible, aided, and abetted by American aid; the investment that was misdirected was largely financed by American aid. It was a miserable and shameful waste of American money, and those responsible for it are the administrators of the program and the Congress, which failed to exercise the necessary supervision and controls over it.

There is not even a good explanation of what American foreign policy interest was advanced by such waste. Turkey is in no danger of Communist subversion. There is probably not another people in the world who are more immune to Russian and Communist doctrines than are the people of Turkey. In all the years of this U.S. aid program, there has never been the slightest basis for fear of a Communist takeover in Turkey, whether any American aid was sent or not.

In 1947, there appeared to be a threat of external Soviet aggression. That was the basis of the Truman doctrine in Turkey. But by 1950, the North Atlantic Treaty Organization was in effect, and throughout the 1950's Turkey was protected from Russian military aggression by the United States. Then, as now, any movement against Turkey by Russia will be met with American military forces.

We even have the military forces in Turkey. We station many thousands of American troops in Turkey. By sending aid to the Turkish armed forces, we do not replace Americans in the field. We finance much of the Turkish Army and we also finance a large American force in Turkey.

Turkey itself is not so much an ally of the United States as it is on our payroll. Both the United States and Turkey would be better served if she were taken off the payroll.

As is customary, aid officials who cannot deny the accuracy of the OECD report, and who have attempted to answer the charges leveled against our Turkish aid program, merely insist that even if all this is true, we must keep on sending the same amount of aid in order to correct all the problems created from 16 years of misguided aid. Only now, we are told, the OECD report is available as a guide, and Turkey has shown signs of seeking to carry out some of its major recommendations. But we are solemnly assured that the economic plans for Turkey can only be achieved if the United States continues to pour in the money.

I frankly am no longer interested in that kind of rationale for American foreign aid. There simply is not the evidence to support the need for it. There is no threat of internal communism and no threat of external aggression. There is little evidence that any other member of the NATO alliance considers Turkey important enough—with the exception of Germany—to contribute in any substantial degree to her economy. Even after the OECD survey, it is expected that at least 65 percent of all aid received by Turkey from other countries will have to come from the United States. And that is a new low.

After reading the AID memorandum, outlining all the progress it claims for Turkey, one can only ask why it is necessary, then, to continue American aid at the same high levels and with the same high proportion of grants as made this mess in the first place. But we know there will always be a reason offered why aid must flow.

To consider some of the specific items I covered earlier and to which the AID memo is directed, however, I note that AID does not deny that our AID administrators in Turkey have admitted that of all the projects there, only 10 percent are the result of initiative coming from the Turks. When the AID Director in Turkey spoke on our program there to the group of Fulbright scholars, of which Professor Dragnich was a member, he indicated that only 10 percent of our aid projects were initiated by the Turks. Professor Dragnich and others have also told me of the large chart hanging in the office of the American aid mission, which outlines U.S. aid objectives for Turkey extending into 1972.

Think of it—1972. We already have plans for Turkey requiring U.S. money that extend a decade into the future. Let us call a halt. Let us stop it now. At least, as one of my amendments will provide, let us cut back the amount. Let us ask our NATO allies: "Why do you not contribute something to Turkey?" Of one thing I am convinced: We cannot justify to the American taxpayers our continuance of such assistance.

What AID calls "specific Turkish requests" are undoubtedly reviewed; but the point Professor Dragnich brought back from his stay in Turkey was that the initiative for most projects comes from the Americans.

Moreover, evidence of our force-feeding of Turkey is indicated by a report from the General Accounting Office on the audit of the Development Loan Fund for fiscal 1959. Its report states:

During fiscal year 1959, DLF also made advance commitments to the Philippines and

Turkey in the respective amounts of $50 and $37.5 million. These commitments, which were approved by the Board of Directors, set aside loan funds subject to the submission of loan applications by the borrowing countries and their approval by DLF at June 30, 1959, balances of $17.25 million for the Philippines and of $6.2 million for Turkey remained outstanding for which loan proposals had not been approved. These balances were considered earmarked and were not available for loans to other prospective borrowers.

That was the practice; the money was kept in the bank for Turkey until a loan application could be prepared. The GAO report notes that the Department of State had already instructed our diplomatic missions against establishing annual country aid levels or making commitments of DLF funds in advance of approval of specific projects or programs because where aid cannot be provided without violating this principle of DLF operations, recourse can be had to other instruments of American aid.

This problem of advance earmarking of loan funds for specific countries was abandoned the following year, when Congress tightened the law. But this practice strongly suggests that loan applications in Turkey were prepared to use up money already earmarked. Moreover, the projecting of American aid objectives for Turkey up to a decade in advance—and they now extend into 1972—suggests that these are American projects and the American initiatives that our Turkish aid director had in mind when he told Professor Dragnich's group that 90 percent of the projects there came from American initiative.

As for the inefficiency of State-owned enterprises, the evidence on that is so abundant that AID does not attempt to refute it. It may come as some surprise to Members of Congress who are loud in opposing U.S. financing of government industries in countries like India to find that we have been financing government industries in Turkey for 16 years. AID agrees that "many of these enterprises are inefficient." Experts in Turkish affairs tell me that they doubt whether any of these enterprises showed a profit last year.

A somewhat older document on this subject was prepared by a U.S. expert on investment laws, Norman Littell, in 1961. Mr. Littell was engaged to draft possible amendments to the Turkish foreign investment encouragement law in the hope of rendering more attractive the investment incentives in Turkey to encourage private enterprise and capital from abroad.

I have known Mr. Norman Littell for many years. I knew him when he was an Assistant Attorney General in the Department of Justice. I have consulted with him many times concerning some of our foreign economic problems. I knew of his expertness based upon experience with Turkish problems. So I asked for consultations with Mr. Littell. In those consultations, I was thoroughly briefed concerning the situation in Turkey.

The next portion of my speech will set forth some of the conclusions I reached after this great expert and keen lawyer gave me the benefit of his knowledge, based upon his experiences in Turkey.

Mr. President, when I began my speech, I said it would be necessary for me to leave the Senate to go to a conference session with the House on the education bill. As the RECORD will show, I yielded to some of my colleagues so that they could dispose of certain matters before I began.

I shall yield the floor at this time, but I should like to yield it with the understanding that later today I may resume my speech at this point and that the entire speech will be printed in the CONGRESSIONAL RECORD in continuity, rather than be broken up by intervening pages. I ask unanimous consent that that privilege may be granted.

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

Mr. GRUENING. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Alaska.

Mr. GRUENING. I have listened with close attention to the analysis made by the distinguished senior Senator from Oregon of some of our foreign aid ventures. I find myself in complete agreement with his statements concerning those ventures with which I have personal familiarity.

I was in Turkey last fall as a member of a subcommittee authorized by the Committee on Government Operations. Although there were excellent reasons for support of the Turks, I found there, nevertheless, a long history of waste and misuse of funds. I recommended that some of the ideas the Senator from Oregon has expressed be carried out.

On Tuesday of this week I pointed out, in the course of a speech in the Senate, how the foreign aid program could be made more effective by eliminating the inclusion of certain countries which obviously are disqualified from receiving our aid funds, because they come in one or more of several categories. Among them are countries which are waging aggressive war and are using the funds we provide—which we provide for the purpose of uplifting their peoples—to purchase armaments with which to make war on their neighbors.

Other countries clearly are not taking adequate steps to avoid wasting the moneys we provide.

Other countries have clearly become stable, and no longer need our aid although clearly deserving of it hitherto. They include Greece, Lebanon, and Israel, all clearly very deserving. But they have been made self-supporting and therefore our aid has properly been withdrawn.

Does not the Senator from Oregon think that Taiwan falls in that category? We have invested approximately $3 billion in Taiwan; and our funds have been used there for almost every type of project, including military, social, economic, and financial projects. Does not the Senator from Oregon believe the time has come when we should stop such extravagant spending of our funds, and should let Taiwan, on the basis of the economy which American dollars have rebuilt, proceed on its own for a while?

Mr. MORSE. I completely agree with the Senator from Alaska; and during the debate I shall offer an amendment to that effect, so as materially to cut back our aid to Taiwan.

Mr. GRUENING. I also think the remarks of the Senator about Pakistan and India are most appropriate. We went to the aid of Pakistan because we considered her a country most deserving of receiving our aid because Pakistan was inclined toward the freedom of the West and anti-Communist. But now we find Pakistan developing close relationships with the Red Chinese; and I think it is time to revise our aid accordingly.

Mr. MORSE. I agree with the Senator from Alaska.

Subsequently, Mr. MORSE resumed and concluded his speech, as follows:

Mr. MORSE. Mr. President, in the preface to his recommendations, Mr. Littell pointed out that the history of Turkish confiscation of foreign enterprises and the long period during which these enterprises have been run by the state has been the chief trouble with the Turkish economy.

He says in part:

The Kemal Ataturk revolution broke the grip of foreign concessions and monopolies in Turkey through what might be called one of the most legitimate historic uses of the power of nationalization which recent history affords. Compensation was paid for what was taken, but this is relatively unimportant compared to the fact that Kemal Ataturk recognized before his death that the trend had to be reversed, that government could not run industry, and that private enterprise, initiative, and capital were essential to an effective and efficient operation. He sought to reverse the program of nationalization by inviting private enterprise to take over national industries. Research in Turkish sources is in progress as to this policy, but at this time only the Sumerbank Act of 1933 (Public Law No. 2262) is available, inviting private capital to take over state-operated industries. Negotiations with private interests took place but fell apart over the question of valuation.

Even if the 1933 Sumerbank Act is still in effect as far as the invitation to private capital is concerned, it is a futile invitation, for the machinery is now obsolete throughout most of the plants. Some of it, even now working three shifts, at the Sumerbank Bakirkoy plant has been there since 1934 and is not only obsolete but badly worn. It cannot possibly produce what modernized efficient machinery can and does produce in greater quantity and finer quality, at the privately owned Bozkurt operation at Zeytinburnu.

Having failed to carry out what Kemal Ataturk perceived to be the solution (namely, private management and operations) following his death in 1938, the state enterprises continued and became even more deeply imbedded in the economic and political concepts of the people in Turkey. They bear the inevitable marks of politically run organizations in which it is difficult to determine whether they are run for a profit or run for social security purposes to keep people employed. For example, only during the regime of authority since the revolution of May 27, 1960, has it been possible to discharge 500 superfluous employees at one big plant to find employment elsewhere. Prior to the revolution, on the other hand, at least three managers who had attempted ordinary executive changes were removed on request

of the labor organizations. However, the plant operations flowed on regardless of inefficiency, high costs, and operating losses, all subsidized by appropriation. The price of similar manufactured products offered by competitive industries in the international market was much lower. Hence, little or no exports.

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

The PRESIDING OFFICER (Mr. WALTERS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MORSE. Mr. President, I read further from the recommendations by Mr. Littell:

Many thousands of employees have come to feel that they have vested interests in jobs in these industries. One reason for this undoubtedly is that the concept of state industry historically goes very far back. The three oldest textile industries in the management of Sumerbank are from 112 to 120 years old. Deeply ingrained habits of thought are a natural human result. Nevertheless, the writer is reliably informed without any hesitation by people who are in the position to know, that the average Turkish citizen realizes full well that the private operation is far more efficient than the public, but this does not bring him to the position of wanting to take the leap from public to private ownership. Nothing has been done to educate him on the dynamics of private enterprise, competition in a free market, and the expansive volatility of modern capitalism with all the benefits it can bring to the employees in a depressed and underdeveloped area * * *.

How deep are the concepts of statism, and how well perpetuated to this day, are perhaps exemplified in the Constitution born in the revolutionary period approved by the Constitutional Assembly on May 27, 1961, to be submitted to referendum in July 1961. With all of its fine features in endeavoring to secure equality of treatment before the law for the Turkish people, it goes much further than constitutions usually do. In its economic articles it projects a complete social security system with state responsibility for public health and welfare (art. 48), employment (art. 40), education (art. 49), housing (art. 48), pensions (art. 47), even scholarships for children of poor families (art. 49). The Constitution then candidly admits in article 53 that none of these things will be provided if the state cannot afford to pay for them. It can only be hoped that politicians will point out this limitation when speaking to the people of the high objectives of the above articles, if embittering disillusionment is to be avoided.

I digress from reading Mr. Littell's comments, to state that earlier today I pointed out the huge sums of money of the American taxpayers that we have poured into Turkey, in connection with our military aid and our economic aid there. A good many of the social services provided there have been provided by means of the dollars of American taxpayers. That is one of the bases of the protests I have been making about the foreign aid bill. When I think of the problems which confront us in our own country, in connection with social security, to mention only one, with its average payment to thousands and thousands of Americans of approximately $85 a month; and when I spend, as I did this afternoon, 2½ hours in a conference on the aid-to-education bill, in an attempt to work out the differences between the Senate and the other body, so that we can come somewhere near meeting the educational crisis which exists in our own country, I wonder how we can justify this kind of aid to Turkey.

Mr. President, charity does begin at home; and we have some home problems to which we had better devote our attention.

I do not mean that I want our country to cease being humanitarian; but the wisdom of such expenditures for foreign aid becomes a matter of degree; and we have gone too far, because we are now giving such foreign aid at the expense of our own people, including those in underdeveloped areas in the United States.

Furthermore, when I also take into account the fact—which I pointed out earlier today—that, for the most part, the United States is paying the Turkish aid bill, and is not receiving help from our so-called NATO allies, I ask: "Is not Turkey important to them, too?" Certainly Turkey is important to all of us; but I think I could make quite a case for the fact that Turkey is really more important to the nations situated closer to her.

So we are greatly indebted to Mr. Littell for his calling our attention to these facts about Turkey; and, Mr. President, as legislative jurors, it is our duty to evaluate this evidence and apply it to the proposed legislation now before us.

Mr. President, I read further from the statement by Mr. Littell:

No matter how desirable social security measures may be, they constitute the ripe fruit of a successful industrial order and can be picked only from a mature industrial tree. Turkey has not even grown the tree. There is not the remotest possibility of paying these benefits for a very long time to come. The United States has them but only after 150 years of industrialization and after perfecting the high level of production to which it has attained in which about 6 percent of the world's population with about 7 percent of its area annually produce 50 percent or more of the world's wealth.

Mr. President, that is our record. What a glorious record it is. But it is one which I do not want put in reverse. We have made that record because we have built up a strong system of economic freedom; but we cannot preserve that freedom if we proceed to undercut its underpinnings. We shall not be able to preserve that system, Mr. President, if we do not do something about the areas of the United States in which people are at least equally as entitled, I should think all of us would agree, to assistance from their government, in their time of need, as are the people of Turkey or Taiwan or France or any other of the 107 countries which are receiving some form of our aid—or, if we wish to use the figures which sometimes are given by others, the 94 countries which are being aided by us, or whatever the correct number may be. At any rate, certainly there is no question about the fact that we are aiding more than 90 countries; and I think the evidence which was submitted before our committee—namely, that some of our assistance goes to approximately 107 countries—will stand up under any analysis.

But if it is only 90, it is too many. During the course of the debate one of the amendments that I intend to offer proposes to cut it back to 50, and then give aid to the 50 countries only on the basis of renewed applications meeting the guidelines that are set out in the amendment pertaining to AID.

The AID memorandum on Turkey notes that some improvements have been made, and that studies by Turkish, American, and OECD experts have led to the consideration of additional legislation to correct shortcomings.

Corrective measures are being considered. Does AID recommend that pending their adoption we sharply curtail our huge aid program, much of which is nothing but a subsidy for these uneconomic enterprises? Of course not. The supporting assistance, which is a budget subsidy to the Turkish Government will continue as usual, as will development grants, military aid grants, and development loans.

With respect to inflated costs and political inspiration of projects, this too is a charge that can always be refuted by pointing to the review of aid requests submitted by Turkey. But the allegations from Americans in Turkey, and from Turkish students of American teachers in Turkey continue.

The allegation of Turkish taxation of American defense facilities in Turkey came originally from American Embassy officials in Turkey. It is encouraging to note that AID finds no evidence of its truth. As for customs duties on goods brought in under American aid projects, if the money to finance the project comes from U.S. sources, I fail to see that it makes much difference whether the cost is assumed by the private Turkish company. It borrowed the money for the project from the United States, and the customs duties add to the cost of the project to the advantage of the United States.

Fortunately, my friend the Senator from Alaska [Mr. GRUENING] has already introduced an amendment prohibiting payment of customs duties on goods from the United States brought into any country through aid financing. I shall support his amendment. Whether or not the condition it seeks to correct exists in Turkey may be a matter of semantics. But the Gruening amendment will clear up all doubt.

Finally, the dissatisfaction over the higher visa charges made by Turkey also emanate from the American Embassy itself. People who go to Turkey for more than 3 months point out that a multiple entry visa—costing $9.60—is a must if they wish to visit anywhere outside the country. For Turkish visitors there is no charge unless they request an extension, for which $10 is charged. AID believes the charges balance out, though Americans who travel in Turkey and report on the comments from the American Embassy do not agree.

However, if AID officials have any doubts of what Americans in Turkey think of our aid program there, I invite them to read the correspondence I have received about it. It has come from military and civilian personnel in Turkey with the aid programs, and it has come from students and visiting professors there.

I should like to digress from manuscript long enough to say that it is too bad that it is so risky for personnel of AID abroad, so risky for personnel of the military abroad, and that it is so risky for staff personnel of various missions abroad to make available to the agencies, missions, and services with which they are connected their criticism of the program. But we should be thankful that our educational process in this country has been successful at least to the degree that American boys and girls have been brought up with a pretty good understanding that under our system of checks and balances, to which I have alluded so many times in the debate, a person has the right and duty to place before their elected officials for their consideration the wrongs which they claim should be redressed. I have a body of such information.

There would be some blank spaces down at AID, in the Pentagon and in the State Department if they knew what their own staff members who have been in those areas where the waste, inefficiency, and corruption exist have told elected officials of Government in regard to what is really going on. We know why they do not tell their superiors. The policy-making witnesses of the administration, the State Department, and the other departmeints, come up and give us the usual palaver. Of course, they welcome suggestions from within their organizations. But the fact is that people within their organizations tell them they do not dare make them. That is why they frequently bring them to us.

One said as follows:

I daresay that this writing might not be fully approved from a military standpoint. But I feel I must stand up and be counted for what I feel. Twenty years of military service leaves me with an unmovable conviction that I still have a right and duty as a citizen as well as a loyalty to my people and Nation. I sincerely pray that what I have said may be of some insignificant assistance to you, even if in moral support only. I thank you and congratulate you and your colleagues in this effort, for your boldness and courage in trying to stem the tide of reckless spending policies.

That letter, which is voluminous, went on to relate what this military man had observed in regard to the shocking military waste in Turkey, pointing out that it was the American taxpayers' dollars that were being wasted.

It was all right for the majority leader and other Senators, as we heard a few moments ago, to say that a program as sweeping, broad, and comprehensive as this, is bound to have some waste. Of course it is. But that is not what we are complaining about. What we are complaining about is not that there is the ordinary waste to be expected in the administration of any program. What we are complaining about is the unconscionable and inexcusable waste, the unconscionable and inexcusable inefficiency, that has come to characterize our foreign aid program.

It is interesting that we have a committee report from the Senate Foreign Relations Committee that most of us on the committee never saw until we picked it up from our desks. It is an unsigned report as far as the members of the committee are concerned, and refers to a bill which was not reported by the committee by a rollcall vote. The language of the committee report is advice to the administration that the administration should take necessary steps before the end of the fiscal year 1965 to bring about much needed reforms in the foreign aid program.

It is the old story, where one participant is given the language in a court case but the decision is given to the other fellow. The report gives me the language, but rejects my amendment. But, the language supports my amendment. All that I have done is to offer an amendment to implement the language, to end all foreign aid as it now functions at the end of fiscal year 1965. I do not say we are not to continue foreign aid, as will be seen when full debate begins on the amendment in a few days. The amendment proposes that we announce we will continue foreign aid, but on the basis of applications received from applicants who, when they make application, would commit themselves to certain conditions, restrictions, and policies that would be followed by them to get the aid.

What is wrong with that? The language of the committee report indicates it is fairly good. I wish the committee had accepted the amendment, because that would have settled it.

This will not hurt the strength of the administration. Just imagine how strong the administration would be in this field of foreign aid if it could announce to the world, "Congress has changed the present policies of foreign aid by ending it and announcing that we will start, at the end of fiscal year 1965, with new rules and new policies—and here they are. You must comply with those rules and policies and then you will get some aid."

Of course, my amendment would limit aid to 50 countries. That is somewhat high. I am not so sure we should be aiding 50. The committee gives us language about the desirability of not giving aid to people in countries which can support themselves, but does not tell us which countries those are. The authority is all discretionary. There is no way of enforcing that language. My amendment would settle it, by putting a ceiling on it.

Every attempt is being made in some quarters to create the impression that I am an obstructionist opponent of all foreign aid. To the contrary, I am seeking to offer constructive suggestions for the development of a sound foreign aid program, and I am perfectly willing to take my proposal to the country. I shall watch with interest whether the administration takes its proposal to the country, if this bill is going to be its proposal. The country is not going to "buy" it. The public is fed up with paying for it.

I have another letter from which I wish to read an excerpt, of the many letters I could cite. This writer says:

I certainly agree, from my small field of observation, that we are forcing aid on the Turks that they are not equipped to handle by ability, education, resources, or intellect. Maintenance of equipment is one small fault—they have no concept of how to maintain it.

I agree wholeheartedly that Turkey finds it more advantageous to take advantage of the United States than it does to cooperate. I don't know anything about defense facilities being taxed, or gasoline and utilities being taxed. All I can say is this:

Gasoline tax: We buy gasoline on the local market and pay the same price that local citizens pay. Therefore, the price must include tax.

Exit tax: Every time we leave the country by air, even on official business, we pay what is called an airport tax of 10 TL, or $1.10.

Beyaname: This is an official listing of all our household goods. We must produce everything listed when we depart the country. Nothing listed on that Beyaname can be discarded. Assume, for example, one brings in an electric toaster and it becomes uneconomically repairable. That useless toaster must be taken out with the owner. Let's say a bicycle is brought in and is stolen (there is considerable thievery here). The individual who brought this item in must pay tax on the stolen bicycle before he is cleared to leave the country. (This will happen to me.)

Gold outflow: Turkish lira is pegged at an artificial rate of TL9 to $1. The free rate varies from 11 or 11.5 to 13 to 1. This means that every dollar's worth of lira that I purchase causes 22 cents of U.S. money to flow out. Multiply that 22 cents per dollar by the number of Turkish lira purchased monthly by Americans and I think it will add up to a fairly considerable amount.

Travel expenses: If a U.S. officer, or enlisted man, travels outside Turkey, he draws $11 to $14 per day. If a Turkish officer travels he receives $20 per day, and that is U.S. money for which I paid taxes. I don't know the purpose of our aid to Turkey or where the money is supposed to go, but I can almost say this, categorically, if for roads—it isn't. Nor does it appear to be going for railroad improvement or for tourist facilities to bring money into the country.

Which raises an interesting question—What is Turkey doing about an income tax, and more importantly, what are they doing about collecting it from everyone in Turkey who is supposed to pay? And what are they doing about filling up all the tax loopholes that I am told are here? There is money in this country, Senator, as evidenced by all of the new construction, but how much is getting into the hands of the country is questionable.

I hope, sir, I've given one small idea of my feelings. I've lived at this APO since 1960. I've traveled some within this country. I've seen it and its people and talked to them. The rich seem to be getting richer and the poor poorer, without too much being done to help themselves. I call it "the order of the outstretched palm."

Here is an excerpt from another:

Your recent comments on foreign aid and Turkey were greeted by the American service personnel stationed here in Turkey with great enthusiasm. I can once again have some faith in our American Government, because I know that at least one official is trying to improve our country and not his own financial status. Since being assigned here I have not seen any of the great improvements that our foreign aid could have

made, but some sights that are very common are: (1) AID personnel riding around in chauffeur-driven automobiles, (2) local officials riding in Cadillacs, (3) Turkish Army personnel in their American vehicles (Jeeps, staff cars, and trucks) that were no doubt gifts of our Government, (4) last, but I feel the most ridiculous of all is Ataturk's tomb. This mass architectural monster must have cost in the millions and no doubt our foreign aid paid all of it. American service personnel assigned here are "fleeced" out of every cent they make. We pay at least double for what we buy, and you could rent an apartment in Washington for what you pay for a "hole in the wall" here. On top of these mounting substandard conditions, the housing allowance has been reduced for military personnel here from $1.44 to 70 cents per day.

If I were assigned to AID so a staff car would pick me up every morning and take me to work, I would no doubt extend here for as long as possible. But unfortunately I am just an American serviceman, who until recently had decided on a career in the service of my country.

After seeing what our Government is doing in a country that obviously does not deserve our help, I have decided that the best thing for me to do is get out of service and live on welfare.

And another:

Having been stationed in Turkey for the past 15 months, I can fully appreciate the statements that you have made in your address to the Senate. I haven't been in the service very long, but I know I will not be in any longer than I have to after serving my tour here * * *. I would like to say that the part of your speech about the Turkish aid that was printed in our military paper was widely accepted as the truest statements made about our mission in Turkey ever made.

Another wrote:

It is encouraging to know there are still Congressmen unafraid to express their views concerning the ingratitude of our NATO allies * * *. One example of this is evident in the fact that almost all the Americans in Turkey who exchange dollars for lira are compelled to do so at the unrealistic rate of 9 lira to $1 and, consequently, suffer a considerable loss.

To quote another letter:

Any man here will only be happy to say that the professor has given accurate information, and the so-called AID should be thoroughly investigated.

Even allowing for the usual "gripes" of Americans sent abroad by their Government in either a civilian or military capacity, Americans in Turkey are disturbed by the waste of our money that is going on there.

These countries about which I have talked today account for a very large proportion of our aid program. These are not the small outlays to dozens of nations, about which the Foreign Relations Committee was critical but did nothing. These are the nations around the Communist perimeter for which much of the whole rationale for foreign aid depends.

I believe our aid to all of them can be reduced without jeopardizing any American security interest. Among the amendments I introduced Tuesday were measures to reduce by 25 percent the programed aid for fiscal 1964 for Turkey, Portugal, Spain, Greece, Taiwan, South Korea, South Vietnam, Indonesia, Israel, the United Arab Republic, Iran, Jordan, and Saudi Arabia. Another amendment will cut military aid to India and Pakistan to 50 percent of the projected level, and economic aid to India and Pakistan to 75 percent of the projected level.

It is no longer possible to avoid discussing foreign aid in terms of specific countries. However disagreeable it may be, it has become necessary for Congress to talk about specific failures in specific countries, and to make specific reductions.

Thus, when I discuss tomorrow the so-called compromise agreement offered by the leaders of the Senate on both sides of the aisle, I shall point out, in discussing many of its defects and shortcomings, this one: That it does not come to grips with the specifics of the foreign aid program. It is an amendment that is obviously designed to draw fire. It is an amendment that is obviously designed to make people think they can smother the fire.

As the Senator from Tennessee [Mr. GORE] pointed out a few moments ago, the matter is too serious for cavalier handling, as he referred to it, on the floor of the Senate. I think he is unanswerably right when he says the proposal of the leadership itself supports my amendment, that we send this matter back to the committee so, as the Senator from Tennessee said, and as the Senator from Missouri [Mr. SYMINGTON] joined him in saying, all members of the committee that has the chief responsibility for foreign aid legislation can sit down behind the executive doors of that committee and consider this proposed compromise. It can receive the proof that can be offered, if any, that the figures selected and the allocations suggested are justifiable. They can decide among themselves whether or not the views in connection with the subject matter do not justify some major policy changes. Then they can bring the bill back to the floor of the Senate in whatever form they decide to bring it back.

I think that is a wise course to follow. I hope the Senate will see fit to follow that course tomorrow, when I make the motion. It is a dignified motion that seeks to strengthen the hand of the Foreign Relations Committee, not weaken it.

The Senate itself is entitled to, and should want, the advice of its Foreign Relations Committee, after due deliberation among the members of the committee, and in consultation with the leaders of the administration, as to the form the adjustment in the bill should take.

I plead that the Senate give consideration to that kind of a parliamentary and legislative approach to this problem. We will save time, for this amendment is not going to stop the consideration of other amendments. This amendment is not going to stop amendments to it, if it is decided to rewrite the bill on the floor of the Senate, using this amendment as the first proposal for the rewrite.

I do not think it is necessary to spend the time that kind of parliamentary hassle is going to take, when good judgment and reason call for us to sit down together and reason together in the Foreign Relations Committee, on the basis of the question, What, if anything, should we now recommend to the Senate ought to be adopted?

It is important that we have a meeting of the Foreign Relations Committee, so we can have a forum to which representatives of the State Department particularly can come and counsel with us as to what our course of action ought to be in the best interests of passing the soundest possible bill on foreign aid.

I yield the floor.

EXHIBIT 1

COMMENTS ON SENATOR MORSE'S STATEMENTS RELATING TO U.S. ASSISTANCE TO TURKEY

The following is provided in response to Senator MORSE's statement on Turkey in the Senate on July 16, 1963 (CONGRESSIONAL RECORD, pp. 12676–12677). The comments are directed to the four basic issues raised.

Senator MORSE's statement: "First, the question deserves to be asked of whether Turkey will be able to absorb the amount of aid we are extending. It is said that our AID administrators in Turkey admit that of all AID projects there, only 10 percent are the result of initiative coming from the Turks."

AID comment: All U.S. economic assistance to Turkey is provided in response to specific Turkish requests. It is based on careful estimates of Turkish foreign exchange requirements and Turkey's specific needs for projects and essential imports to maintain economic stability and to achieve reasonable growth objectives. The level and type of assistance requested by the Turkish Government to meet its external needs are under continual review in the OECD consortium, established to assist in the financing of Turkey's 5-year plan. The Consortium Secretariat has appointed a team of experts for this purpose who report on their findings and these judgments on the Turkish requests for assistance are combined with the independent analyses made by the United States. Requests from the Turkish Government for foreign economic assistance to carry out economic development activities have consistently exceeded financing available so that response to these requests has been on the basis of highest priority needs.

In connection with technical assistance, the Government of Turkey annually screens proposed projects, suggested by technical committees of its ministries, and submits a consolidated technical cooperation program to the United States, and to other countries and international institutions (e.g., U.N., UNICEF, OECD, CENTO). For those projects chosen from this program by the United States, a separate agreement is signed for each project by the Government of Turkey and the Director of the USAID Mission. Thus, the Government of Turkey not only requests the projects initially, but also agrees with each of them individually before the project is funded by the United States.

Senator MORSE's statement: "A second problem in Turkey, and it is certainly related to the first, is the apparent serious disadvantage of private industry in that country. It is my understanding that most industrial endeavors there are state-owned and operated. Many of their operations are very uneconomic with costs of production far out of line and with topheavy administrative bureaucracies."

AID comment: Turkey has a mixed economy. Early efforts to increase production rapidly included development of state economic enterprises which currently control about 40 percent of Turkey's nonagricultural output. Many of these enterprises are inefficient and Turkey in its recent planning efforts has recognized that the role of the private sector must be increased and strengthened and state enterprises must become more

efficient if Turkey is to achieve its production targets. Provision for favorable legislation and financial assistance for private industry is included in Turkey's 5-year economic development plan adopted in December 1962.

The U.S. aid program has sought to help Turkey increase industrial production by assistance both in expanding the private sector and improving the operation of the state enterprises. AID projects such as Support of Industrial and Trade Association, Export Promotion Center, Assistance to Small Industry, and Industrial District Development have as a primary objective the strengthening of Turkish private industry efforts. In addition, U.S. private industry encouraged by AID and the Turkish Government has invested and is considering investment in various fields including vehicle assembly, paper manufacture, hotels, and petro-chemical production. The AID program provides capital through local currency and dollar development loans and training programs help to improve Turkish management. As a consequence, traditional attitudes favoring public domination of economic opportunities are gradually shifting toward encouragement of investment of private Turkish and foreign capital.

While the strengthening of private industry has been a major objective, the United States also assists Turkey in improving the operation of essential state-controlled enterprises. There are serious shortcomings in the efficiency of a number of these enterprises but the causes must be viewed in the context of the Government policy which has made the state enterprises serve a number of different Government aims. These have included the provision of essential consumer and investment commodities at subsidized prices and employment of excess labor. Given this background, recent improvement in state enterprise operations has been considerable. As a result of measures taken by the Turkish Government, the state enterprises have ceased to be a primary source of inflationary pressure and the attendant waste in the use of resources. There is still much room for improvement, however, and the U.S. representations for adoption of further reforms along with a study conducted cooperatively by Turkey, United States, and OECD experts have led to the consideration of additional legislation to correct shortcomings.

U.S. assistance through local Public Law 480 currencies gives no advantage to public enterprise over private. U.S. loan agreements with the Government of Turkey under Public Law 480, title I, expressly provide that both private enterprises and state enterprises of a profitmaking nature be accorded credits at the prevailing market interest rates. While loans of local currency Public Law 480 proceeds to the Turkish Government may be at less than market rates, no advantage to the state enterprises is allowed on the reloaning of these funds which are reloaned at approximately 7 to 10 percent. Sixty-three percent of local currency proceeds under 1961–62 Public Law 480 agreement has been made available to the GOT at 4-percent interest and similar loans under the 1963–65 multiyear agreement will be made at three-fourth of 1 percent. Under the most recent Public Law 480 loan agreement half of the credit is made available for relending to the private sector as a first priority in an effort to favor private enterprises. U.S. businessmen receive Cooley loans under section 104(e) of the Agricultural Commodity Agreement at prevailing market rates similar to those of Turkish state or private enterprises, that is, from 7 to 10 percent.

Senator MORSE's statement: "A third allegation about aid in Turkey is that it suffers from inflated costs and political inspiration for many of the projects."

AID comment: Criticism in Turkey of uneconomic use of resources was an important factor leading to the overthrow of the Menderes regime by the revolution of May 1960. One of the first acts of the revolutionary government was to review public investments and to cancel all those that failed to meet strict requirements. A state planning organization was created to design a long-range program and to encourage investment only in those enterprises which met priority needs. These efforts were continued by the present Government and in December 1962 a 5-year economic development plan was completed. The plan has received the strong support of the Government which has now staked its future on the success of its economic development efforts.

The United States encouraged the formulation of this plan and provides technical assistance to the Turkish Government in its review of projects which would be most effective in achieving the economic goals sought. The United States makes project financing to Turkey only for projects requested by the Turks which have been included in their 5-year development plan and once these projects have been presented by the Turkish Government or by private corporations for financing, they are carefully reviewed in compliance with the Foreign Assistance Act to determine whether the projects are based on reasonable cost estimates and are technically and economically feasible.

Senator MORSE's statement: "Fourth, it would appear that despite our heavy financial and military aid to Turkey and participation in two alliances with her, Turkey finds it more advantageous to take advantage of the United States than to cooperate with us. For example, I understand that despite a NATO agreement to the contrary, our defense facilities in Turkey are taxed. The estimate is offered that we have paid about $800,000 in taxes on gasoline and utilities used by American NATO forces in Turkey."

AID comment: There is no evidence that the U.S. Government has paid Turkey $800,000 in taxes on gasoline and utilities used by U.S. forces in Turkey. NATO agreements and bilateral U.S. agreements with Turkey provide relief from taxes, duties, and fees for the U.S. defense facilities in Turkey and there is no evidence of Turkish violation of the agreements. In certain instances, however, the U.S. Government has reimbursed commercial suppliers for taxes paid on aviation petroleum purchased at remote installations for use by the U.S. military aircraft. The petroleum subject to this tax is a small percentage of the total consumed by the U.S. military in Turkey.

Members of the U.S. forces in Turkey are subject to individual tax on petroleum if purchased from commercial sources and official travel is not involved. Also, tax is paid on utilities if they do not live on facilities which are required for common defense. Although relief from this individual tax is considered possible under existing agreements, the benefit to be derived is considered to be too small to warrant the cumbersome and costly administrative machinery that would be required to provide this exemption.

In addition to the NATO agreements, the bilateral tax relief agreement of 1954 specifically provides relief from taxes, duties, and fees for all expenditures by and on behalf of the United States in Turkey for goods, facilities, and services for the common defense effort, including expenditures for any foreign aid program of the United States. Thus, the U.S. taxpayer does not pay import duties on the economic assistance offered. Development loans cover only the dollar costs of the projects being financed; imports under U.S. supporting assistance are financed to cover no more than the CIF values of commodities and we know of no cases where customs payments were required on development grant projects, or where customs payments made in error have not been refunded.

The U.S. taxpayers are not providing loans to pay Turkish customs on U.S. aid provided to the steel plant on the Black Sea. The Foster Wheeler World Services Corp., cited by Senator MORSE, is a contractor hired by Eregli, the private Turkish steel company. Under the terms of that contract, Eregli makes payments to the Foster Wheeler World Services Corp. in both U.S. dollars and turkish lira. Import duties which are levied on construction equipment and tools imported by Foster Wheeler World Services are clearly specified in the contract as Turkish lira costs and are an obligation of Eregli, the Turkish company. Therefore, any import duties which are paid by the U.S. contractor are reimbursed by the Turkish company from non-U.S. funds. Regarding the allegation that Turkey charges more for nonimmigrant visas than does the United States, the following should be noted. The GOT requires no visa for nonimmigrants from NATO countries staying less than 90 days. For visits longer than 90 days the fee is $1.92 for single entry and $9.60 for multiple entry. The United States issues visas to Turkish visitors initially without fee, but charges a fee of $10 for any extensions requested. The two systems are considered roughly comparable; in practice the average visa charge to Turkish visitors to the United States is probably higher than average charges paid by the U.S. visitors to Turkey.

Mr. JAVITS. Mr. President, I call up my amendments numbered 239.

The PRESIDING OFFICER (Mr. INOUYE in the chair). The amendments of the Senator from New York will be stated.

The LEGISLATIVE CLERK. On page 30, after line 25, it is proposed to insert the following:

(1) inserting between the fourth and fifth paragraphs the following additional paragraph:

"It is the sense of the Congress that the institution of full investment guaranty programs under title III of chapter 2 of this part with all recipient countries would be regarded as a significant measure of self-help by such countries improving the climate for private investment both domestic and foreign."

On page 31, lines 1, 4, 6, and 9, strike out "(1)", "(2)", "(3)", and "(4)" and insert "(2)", "(3)", "(4)", and "(5)", respectively.

The PRESIDING OFFICER. Does the Senator from New York wish to have his amendments considered en bloc?

Mr. JAVITS. Yes, Mr. President; I ask that they be considered en bloc.

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

Mr. GRUENING. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. GRUENING. I wonder whether the Senator from New York plans to request that the vote on his amendments be taken today.

Mr. JAVITS. Yes. I discussed this situation with the Senator from Oregon, who said he would have no objection, insofar as he could see, to having the Senate vote on these amendments today, provided they are voted on by a yea-and-nay vote. Inasmuch as he and I must attend the same conference this afternoon, I thought perhaps I could have the yeas and nays ordered on the question of agreeing to my amendments,

after I had discussed them; and perhaps then the Senator from Alaska could proceed to make his remarks.

However, I am entirely agreeable to having my amendments voted on by a voice vote, rather than a yea-and-nay vote. I have mentioned a yea-and-nay vote only because of the request of the Senator from Oregon.

Mr. PROXMIRE. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. I have several amendments which I wish to submit. My remarks on them will be brief, and I should like to have them disposed of quickly. Therefore, if the Senator from New York requests the taking of a yea-and-nay vote on the question of agreeing to his amendments, but if they are not voted on today, I hope he will recognize that the result will be to prevent the Senate from voting today on other amendments.

Mr. JAVITS. Mr. President, the Senator puts me in an embarrassing position, because I certainly want the Senate to proceed promptly in acting on the pending bill. However, we must bear in mind that the Senator from Oregon and the Senator from Alaska can delay our action on any amendment, merely by speaking. The Senator from Oregon informed me that he must attend a conference this afternoon, and that he wishes a yea-and-nay vote to be taken on my amendments. So it seems to me that a yea-and-nay vote will be a small concession as the price of having the amendments acted on today. As a result, we are now in a position in which we cannot choose the means, and thus we might have to agree to a procedure which otherwise we might not choose to have followed.

Mr. PROXMIRE. I understand, and I wish to cooperate. However, I do not think the Senator from Oregon would object to the taking of yea-and-nay votes on my amendments. So I shall request that yea-and-nay votes be taken on the question of agreeing to them. My remarks on each amendment will be brief not in excess of 10 or 15 minutes; and I believe the Senator from Oregon will be willing to accept my amendments.

Mr. JAVITS. I believe the Senator from Oregon will also be willing to accept my amendments. He and I must attend the same conference this afternoon; it is scheduled for 2 o'clock. As soon as I have submitted my amendments, the Senator from Alaska can obtain the floor; and perhaps then an understanding can be reached an about the time for voting on the amendments. I thoroughly agree with the Senator's views as to that.

Mr. LAUSCHE. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. LAUSCHE. I suggest that the chairman of the committee go into meditation to determine whether he can accept the amendments.

Mr. JAVITS. Mr. President, these amendments seek to deal with a very serious problem which we face in connection with the effort—one which I think will undergo considerable scrutiny during the debate on the bill—to introduce the private economic system of the United States into the foreign aid program far more effectively than it has been introduced thus far.

The major auspices under which private enterprise can operate with the aid of the foreign aid program is the investment guarantee program, which, after a slow start, has developed very appreciable momentum. The existing authorization total for specific risk guarantees is $1,300 million. Applications in process total $3 billion; and a new ceiling of $2.5 billion is proposed. There is no question that the new ceiling should be authorized.

This authorization does not constitute an expenditure of tax funds, yet is a major incentive for private investment which inevitably is accompanied by a massive amount of technical assistance. Not only is this valuable from the point of view of bringing American know-how into these countries, which we are so anxious to help, but it is also valuable in terms of training local managers, technicians, and workers, because in most countries the overwhelming majority of the employees of American concerns there—concerns either with Americans in partnership or with American loans—are local. In addition, a very important development is occurring in American business: More and more, the managerial personnel, right up to the top level, are becoming local. In country after country the top men handling businesses with American investments or even American enterprises are local men. This development is all to the good; and great efforts are being made by the leading business companies to obtain not only the operating personnel, but also the top-level managerial personnel, from the local people. These companies go to great pains to do that, and they do so to very good effect.

This process is becoming so successful that there are instances in which local personnel in a company which is American financed have become so valuable that they have been brought to the United States, as members of the board or other top managerial personnel of the parent company, as it were, because of the skill and the ability they have shown.

So private investment—a good deal of which has sought the protection of the specific risk guarantees program, which, as we know, insures against inconvertibility and expropriation as a result of war or civil commotion or insurrection—has been found a very useful tool for the purpose of inducing more private enterprise in this country to engage in operations in the countries we are aiding, especially in the newly developing countries which we are seeking to aid.

However, the process is limited by the number of countries which will join in such investment guarantees. Under existing law the United States must negotiate formal investment guaranty agreements with most countries before individual guarantee contracts may be issued by AID. Two years ago Congress granted the President authority which enables him to conclude simpler forms of agreement with those countries which protect the interests of the United States through suitable local laws, in conformity with international law and if they have a good record regarding the treatment of foreign investments. Even with such authority progress has been limited, though lately we have had much better luck than we had before.

I call to the attention of the Senators pages 13 and 14 of the report of the Senate Foreign Relations Committee, particularly the top of page 14, at which point the committee explains its attitude with respect to the subject. The United States now has investment guarantee agreements with 57 developing countries, 19 of which have been concluded in the last 2 years.

Mr. President, I ask unanimous consent that a list of those countries be printed at this point in my remarks.

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

COUNTRIES WHERE SPECIFIC RISK INVESTMENT GUARANTEES ARE AVAILABLE

Convertibility: Afghanistan, Argentina, Bolivia, Chile, China (Republic of), Colombia, Congo (Brazzaville), Congo (Léopoldville), Costa Rica, Cyprus, Dominican Republic, Ecuador, El Salvador, Ethiopia, Gabon, Ghana, Greece, Guatemala, Guinea, Haiti, Honduras, India, Iran, Israel, Ivory Coast, Jamaica, Jordan, Korea, Liberia, Malagasy (Republic of), Malaya (Federation of), Morocco, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Senegal, Sierra Leone, Spain, Sudan, Thailand, Togo, Trinidad-Tobago, Tunisia, Turkey, United Arab Republic (Egypt), Uruguay,[1] Venezuela, Vietnam, and Yugoslavia.

Expropriation: Afghanistan, Argentina, Bolivia, China (Republic of), Colombia, Congo (Brazzaville), Congo (Léopoldville), Costa Rica, Cyprus, Dominican Republic, Ecuador, El Salvador, Ethiopia, Gabon, Ghana, Greece, Guatemala, Guinea, Haiti, Honduras, India, Iran, Israel, Ivory Coast, Jamaica, Jordan, Korea, Liberia, Malagasy (Republic of), Malaya (Federation of), Morocco, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Panama, Paraguay, Philippines, Portugal, Senegal, Sierra Leone, Spain, Sudan, Thailand, Togo, Trinidad-Tobago, Tunisia, Turkey, United Arab Republic (Egypt), Uruguay,[1] Venezuela, Vietnam, and Yugoslavia.

War Risk: Afghanistan, Argentina,[1] China (Republic of), Colombia,[1] Congo (Brazzaville),[2] Congo (Léopoldville),[2] Cyprus,[2] Dominican Republic,[2] Ecuador, Gabon,[2] Greece,[2] Guinea,[2] Israel,[2] Ivory Coast,[2] Jamaica,[2] Jordan,[2] Korea, Liberia, Malagasy (Republic of),[2] Morocco, Nepal,[2] Nicaragua, Niger,[2] Panama, Senegal,[2] Sierra Leone, Sudan, Thailand, Togo,[2] Trinidad-Tobago,[2] Tunisia,[2] United Arab Republic (Egypt),[2] Venezuela,[2] and Vietnam.[2]

Although the Mutual Security Act of 1959 excluded economically developed countries for purposes of the investment guarantee program, guaranties are still available for the underdeveloped overseas dependencies of the following countries: Denmark, France, Netherlands, Norway, and United Kingdom.

The following countries also have signed the agreement to participate in the investment guarantee program but due to the Mutual Security Act of 1959 guarantees may no

[1] Although applications will be accepted for Uruguay, guarantees cannot be processed until agreement is ratified by country's legislative body.

[2] Including also guarantees against loss due to revolution and insurrection. (Also extended risks.)

longer be issued for investments there: Austria, Belgium, Finland, Federal Republic of Germany, Ireland, Italy, Japan, and Luxembourg.

Cuba signed the agreement in 1957 for convertibility and expropriation but due to conditions existing in that country the program is inoperative there.

October 28, 1963.

INVESTMENT GUARANTEE PROGRAM

List of less developed areas which are dependencies of metropoles participating in the AID investment guaranty program:

Denmark (convertibility/expropriation): Greenland.

France (convertibility/expropriation): French Somaliland, Reunion, Comoro French Settlements in India, New Caledonia, Tuamotu Archipelago, including Society Islands, Austral Islands, Marquesas Archipelago, St. Pierre and Miquelon, Martinique, Guadeloupe, and French Guiana and Inini.

Netherlands (convertibility/expropriation): Surinam (Dutch Guiana), Netherlands Antilles.

Norway (convertibility/expropriation): Spitsbergen.

Portugal (convertibility/expropriation): Angola (Portuguese West Africa), Mozambique (Portuguese East Africa), Cape Verde Islands and Portuguese Guinea, Sao Tome and Principe, Timor, and Macao.

Spain (convertibility/expropriation): Ifni, Spanish Sahara, Fernando Poo, Rio Muni.

United Kingdom (convertibility only): Channel Islands; Isle of Man; Gibraltar; Malta; Gambia; Kenya, Zanzibar, and Pemba (not after December 1963. Due for independence); Federation of Rhodesia and Nyasaland; St. Helena and dependencies; Mauritius and dependencies; Seychelles; Aden and protectorate; Hong Kong; Brunei; Fiji Islands; Falkland Islands and dependencies; Western Pacific High Commission Territory (excluding Tonga and New Hebrides); Bahamas; Bermuda; Antigua (including Barbuda and Redonda); Barbados; Dominica; Grenada (including Southern Grenadine Islands); Montserrat; St. Christopher-Nevis-Anguilla (including Sombrero); St. Lucia; St. Vincent (including Northern Grenadine Islands); British Virgin Islands; Turks and Caicos Islands; Cayman Islands; British Guiana; and British Honduras.

Mr. JAVITS. The United States has no agreements with approximately 26 countries. I ask unanimous consent to have that list printed at this point in the RECORD.

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

COUNTRIES WHERE INVESTMENT GUARANTEES ARE NOT AVAILABLE

Latin America: Brazil, Mexico.

South Asia and Near East: Syria, Lebanon, Saudi Arabia, Yemen, Iraq, and Ceylon.

Africa: Libya, Algeria, Cameron, Central African Republic, Chad, Dahomey, Mali, Mauretania, Upper Volta, Somali, Tanganyika, Uganda, Rwanda, and Burundi.

Far East: Burma, Cambodia, Laos, and Indonesia.

Source: Agency for International Development.

Mr. JAVITS. The list includes Brazil, Mexico in Latin America, most of the Near East countries, a rather impressive list of about 14 African countries, and Burma, Cambodia, Laos, and Indonesia in the Far East.

The Senator from Indiana [Mr. HARTKE] and I had submitted to the Foreign Relations Committee proposals which would have prevented aid from going into a country which would not conclude an investment guarantee agreement with us on the very logical theory, I believe, that if they prevented us from getting our private enterprise in, the United States would be called upon for the maximum aid without regard to the diminution which could result if there were private enterprise investment. Therefore aid should be denied to that country under such circumstances.

The committee took a rather dim view of that kind of condition precedent and stated—

The committee gave serious consideration to several proposals which were before it to make assistance contingent upon the conclusion of an investment guarantee agreement with the country receiving assistance. The committee rejected these proposals because it felt that they would probably not accomplish their purpose of increasing the number of investment guarantee agreements, and because it was favorably impressed with the progress which has been made in negotiating new agreements.

So in view of the rejection of those amendments, the amendments now proposed are really a "sense" resolution, of which there are a number in the bill, and they have a very material effect on the policy of the State Department and AID. The amendments are based upon the position paper on the subject submitted to me by the State Department in commenting upon the amendments.

The Department of State, for all practical purposes, said—

We could welcome a statement of policy which would say that, as we insist on self-help by countries which will get aid, and as we insist on a good climate for private investment, the institution of investment-guarantee programs with all recipient countries would be regarded as a significant measure of self-help by such countries, improving the climate for private investment, both domestic and foreign.

Therefore, the amendments before the Senate were drafted in almost the exact words chosen and referred to by the State Department in connection with the subject.

Mr. President, I ask unanimous consent that the letter of comment of the State Department dated May 4, 1963, be printed at this point in the RECORD.

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

DEPARTMENT OF STATE,
Washington, May 4, 1963.

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

DEAR SENATOR JAVITS: Thank you for your letter of April 4 to David Bell and the Secretary which asked the views of AID and the Department on a contemplated amendment of the Foreign Assistance Act showing strong congressional intent in support of the conclusion of intergovernmental agreements instituting the investment guaranty program. Your letters suggested that the amendment might further urge the conclusion of other agreements and treaties necessary to the effective carrying out of the foreign aid program.

As you know, the Department and AID have been seeking to broaden the number of countries in which full guaranty programs will be available. The portion of the President's foreign aid message which your letter mentioned is a part of that effort.

Two years ago, Congress recognized that rigid statutory requirements regarding guaranty agreements impeded progress in broadening the program in Latin America. It, therefore, amended the law to permit us to modify the substance of the agreements and further to institute guaranty programs without a formal agreement embodying "suitable arrangements" to protect the interests of the United States in those cases where we could reasonably find either that such an agreement would soon be reached or that these interests were suitably protected by local laws and international law. Those amendments have proved useful. They have enabled us to revise the agreements so as to overcome many of the legal and constitutional objections that have been an impediment in the past. As a consequence, we have been able to arrange investment guarantees with Colombia and Venezuela.

The problems we face in concluding guaranty arrangements are, as you well know, largely political and emotional. The present legislation is, I think, adequately designed to help us develop a climate of confidence in which private investors will be encouraged to play their essential role. This confidence could, however, be impaired if the legislation were amended in too rigid a manner. It would not serve our national purposes if the U.S. Government were compelled to abandon efforts to assist the development of free economic institutions in an underdeveloped country in every case where a relatively small number of Communists or extreme nationalists, forming an effective minority within a foreign legislature, are able to block conclusion of a particular agreement.

We cannot, therefore, recommend legislation in a rigid form. But we would welcome an expression by Congress that the institution of full guaranty programs would be regarded as a measure of self-help improving the climate for private investment, both domestic and foreign, and thus important to the success of the Alliance of Progress.

We should be happy to discuss this question with you at greater length. If you would like to go into it on a country-by-country basis, I know that Seymour Peyser, who has the primary responsibility for obtaining these agreements, would be very glad to talk with you.

With best regards.

Sincerely,

GEORGE W. BALL,
Acting Secretary.

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

Mr. JAVITS. I yield.

Mr. LAUSCHE. What is the Senator's reason for asking that his proposed language of policy be included in the bill? What purpose would it serve, and how could it be used subsequently?

Mr. JAVITS. It would serve two purposes. One purpose would be to give AID a specific direction as to what we regard as important in the way of self-help; that is, a sound private investment climate and a capability for accommodating guarantees in the countries which we aid.

The second purpose—and this is perhaps its most important purpose—is that AID and our State Department negotiating people can then point out, in connection with seeking to negotiate agreements with other countries which have not yet entered into them—and I have submitted the list—the insistence by the Congress that that be done, and that it is not really being done in a mandatory way but only as a matter of international courtesy.

The Senate Foreign Relations Committee feels that it should be done. In its declaration Congress states that it feels it should be done. Therefore, the intent would be expressed in polite language, with no desire to offend any of our friends in the world, that the principle is very deep within us—so deep that we are writing the language into the bill, which we do not generally do in the case of questions of policy. Therefore it is felt—and I agree—that the provision will be an important assistance in bringing about the consummation of agreements with the countries with whom we have not yet agreed.

Another point is important, too. Many people will say that we are giving aid to developing countries. We are going to give them aid. Why should we be embarrassed and backward about seeking that condition?

It is a question of degree. Suppose in the national interest of our country we feel that we should aid, let us say, Brazil, Mexico, or any other country which is on the list of countries with which we do not have agreements, and suppose that country should insist upon a Communist-type of government. We would not give them any aid. Qualitatively, we would have no part of it.

On the other hand, if that country should drag its feet about making an agreement relating to investment guarantees, there is a natural reluctance to say that that alone should represent the basis on which we would break off relationships in respect to aid—except when the Congress expresses itself in a forceful way, which I propose that we do. Then it seems to me that we accommodate the international amenities and at the same time make clear that we insist upon that provision and that we consider it very essential as a qualification for aid.

Mr. LAUSCHE. Do I correctly understand that it would be justifiable to interpret that program as being one contemplating an encouragement to nations to help themselves?

Mr. JAVITS. Exactly.

Mr. LAUSCHE. If that is how we would look at it, those nations that would be helped by the program ought to cooperate in carrying into effect the spirit and the letter of what we are doing.

Mr. JAVITS. The Senator is exactly correct. That is precisely the intention and precisely how I hope the program will work.

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

Mr. JAVITS. I yield.

Mr. FULBRIGHT. I believe the Senator's amended version of the proposal is acceptable to me. I think the Senator is quite correct. We desire and urge the Department to negotiate as many of those agreements as it is possible to do so. They have done a very good job in persuading countries to enter into such agreements. With reference to the statement that it would not be effective in reaching a desired result, I point out that it is really a matter of approach. We could be so offensive in our demands, as is stated in other areas, that our efforts would become counterproductive. I believe that the proposal is a far better approach, so far as I am concerned, and I am sure the Senate would not object to the inclusion of the proposed language as a policy statement.

Mr. JAVITS. I am very grateful to the Senator. As I explained to the Senator from Wisconsin [Mr. PROXMIRE], were it not for the problems with the Senator from Oregon [Mr. MORSE], the amendments would normally be accepted by the Senator in charge of the bill.

Mr. President, I should like to develop, if I may, one or two other points with the chairman of the committee.

There are two other guarantee programs aside from the specific risk guarantees which I have described. One is the extended risk guarantee program; the other is a special housing guarantee program for Latin America which are a part of the law, but which seem to us to be lacking very materially, and to have taken a very long time to get off the ground.

The extended risk guarantee is a specialized guarantee for the purpose of enabling the President to insure (a) 75 percent of any private investment in a country which is being aided, when the President feels that this will be desirable in our national interest and (b) 100 percent of any loan investment for housing projects. In pursuance of the program, there is an authorization of $180 million. Outstanding are $8.2 million in guarantees. Applications in process total $9.5 million.

It is clear that an effort is being made to apply the extended risk guarantees to housing as well. This is a desirable way to manifest our aid to a particular country.

One of the problems encountered has been the rather small staff available to work on the guarantee contracts. Hence in respect of the extended risk guarantees and the Latin American housing guarantees a very small amount has been used. For the latter program $60 million was authorized, $1.3 million is actually outstanding, and $20 million is pending. The difficulty has been in assigning the necessary personnel for the purpose. In the case of the specific risk guarantee program there is still an 18-month backlog. This particular phase of the program now totaling $900 million is administered by 16 people. A U.S. investor, wishing to invest in a developing country and get a guarantee, would have to wait some 18 months before he could normally expect action on his request. It has been only recently that nine additional individuals have been authorized to work directly in this program, supported by three attorneys.

The 2-year-old extended risk guartee program is still in the process of formulating policy. I understand, however, that a policy directive is to be issued in 3 to 6 weeks. The Latin American housing program, which is also 2 years old, until recently was manned by three individuals. Now they have nine full-time individuals.

I believe it would be desirable for the chairman of the committee to express his opinion as to the desirability of providing the necessary staff in AID, so that the investment-guaranty program may be effectively implemented all the way down the line. I am sorry to report to the Senate, in respect of the major guarantees—the specific risk guarantees for which we are asked to authorize $2.5 billion in the bill—there is an 18-month backlog. This information is from the Agency itself. Many proposals, subjected to that kind of timelag for approval, may well be withdrawn or become academic. Business is not normally in position to wait all that time for a particular guarantee to come through, to facilitate an investment.

So I ask the chairman to comment upon that situation, which is troublesome for those who are anxious to use the program, when it is certainly very much in the American interest that it be used.

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

Mr. JAVITS. I yield

Mr. FULBRIGHT. It is the information of the leadership that very little, if any, of this money has been used. I did not understand it was entirely a question of manpower available to process it. The administration has very substantial manpower available for the processing of these applications. I do not believe there is any necessity for a special direction in this legislation to authorize the use of administrative funds for such a purpose.

Personally I would be in favor of the Senator's suggestion, if that were the real bottleneck; but I was definitely given the impression that nothing was done about the extended risk guarantees because the administration had not used existing authority. We increased the housing authority to the figure requested. I do not believe it is a matter of limitation of funds, but it is merely a bureaucratic problem of placing the personnel in this area to do the work. I understand that some experts have been borrowed from our own Housing Administration to help them in this field, which is fairly well specialized.

We took testimony to the fact that they are beginning to move better than they were. It was very slow, I agree with the Senator.

In the beginning of this program there were many complaints, and we had considerable testimony on the subject. The Senator from Florida took a great interest in this subject. There was testimony about the delays in getting these programs under way.

All I can say is that the committee complained about it. We urged the AID authorities to move more rapidly in this program. They promised to do so. I do not believe a limitation of the authorization is bothering them.

Mr. JAVITS. I do not believe so, either. I appreciate the administrative difficulties, and that there was a shortage of personnel on the housing program guarantees. What disturbs me most is the 18-month lag in the major guarantee program; that is, the specific risk guarantee program. As a person who represented business interests when I was active in the practice of law, it seems to me that if there were any delays they would kill most proposals for which guarantees were being sought. From the point of view of encouraging rather than discouraging the guarantee mechanism, and

therefore private investment, it seemed to me it was well worth putting some pressure on and moving it more actively than it seems to be moving.

Mr. FULBRIGHT. I believe the Senator is correct in what he has just said. I hope that will be the effect. I join him in urging that that be done.

I can only say in their defense—to some extent it is a defense—that they have been severely criticized from all angles, and they have become, perhaps, overly cautious in the initiation of the program. They have not had much experience. This guarantee program is a relatively new one, and was extended to some areas about which the committee was dubious, because it could be abused. I believe it required a long time to get underway. I am hopeful that, with a little more experience, it will move much more rapidly.

Mr. JAVITS. I am grateful to the Senator.

I have had another amendment printed, relating to the possibility of research by AID into the means of enabling the investment public in the United States to participate more fully in the economic development of the less developed countries.

I believe an amendment is not really the best way to get at that kind of administrative question of policy, so I have no intention of pressing that amendment. However, I should like to ask the chairman of the committee for his opinion as to what he considers to be a reasonable order of priority.

What I have in mind specifically is a bill which has been introduced by me in the 87th Congress, together with other Senators, called the "peace by investment corporation" bill. Whatever may be its defects or its merits, it calls for a corporation to be organized, facilitated by the U.S. Government, to be privately financed, with the idea of giving the American citizen—the rank-and-file investor—an opportunity for a stake in the foreign aid program. At present, we are encouraging only private investment on the major scale of a business corporation. I know that the Senator is as disheartened as I am—and we are doing our best to do something about it—that only 5 percent of American business concerns are engaged in oversea export and import or in oversea private investment.

It seems to us highly inconceivable that we are not able to do better in our great Nation, in view of the enterprise and opportunity which exist abroad. We should at least consider whether—through some investment company mechanism on a very big scale, with some Government help, a private investor can be brought into the picture and an effort can be made to take a big part of the load from the backs of the taxpayers by a major private enterprise effort financed by small investments.

So I ask the chairman of the committee to be good enough to give me his opinion, which might help in directing the attention of AID to the possibility that it needs some staff checking.

Mr. FULBRIGHT. Anticipating the Senator's question—we have talked about it before—I have discussed this question with the executive branch, and I have been assured by the executive branch that a well worked out proposal for such research would not be ineligible for consideration. The executive branch informs me that it would give every consideration to the proposal. The AID agency pointed out that it might be possible to agree upon a proposal looking into the further involvement of the United States investor in the economic development of the less developed countries, which might also be eligible for financing from nonresearch funds, depending upon the nature of the proposal.

I agree with the Senator about the desirability of private enterprise being involved in this effort. I need not tell him that one of the problems has been the relative political instability of a number of countries in which certain funds have either been invested or tentatively invested, or in certain Latin American countries, where we have run into the question of equitable arrangements. This has put a damper on investments. The Senator knows the story in that connection. But the AID people in the executive department are sympathetic with this kind of program. They told me they would welcome it.

Mr. JAVITS. I thank the Senator. I will submit a specific and detailed proposal to the State Department within the next few days.

In conclusion, let me say that I am very well aware of the concern of American business with respect to oversea private investment when we face a situation such as took place in Cuba and when we face other instances of unjust appropriation without compensation. At present there is grave concern about a number of oil contracts, for example, in Argentina. Whatever may be the justice, pro or con, involved there, so far as we know, those contracts were honestly negotiated and developed important resources in Argentina. The only demerit which can be placed upon their doorstep is that they were very successful. The American interests discovered great quantities of oil in Argentina. Happenings of this kind are discouraging to American investors. This situation, as has been mentioned by the chairman of the Foreign Relations Committee, should be stated on the floor of the Senate.

At the same time, there is involved a twofold purpose. One of the purposes is that of aiding normal opportunities. There have been great, legitimate enterprises, and profits have been built upon foreign businesses. A number of companies in the United States today, for example, are deriving more of their net income from business overseas than they are from business in the United States. This is very worthy, and it is something that this country as a world leader should do.

So far as risks are concerned, actuarial risks can be ascertained by American business. When money is lost in certain countries, gains that outweigh such losses must be taken into consideration. So it is a question of whether the losses sustained in Cuba or elsewhere are outweighed by profits or desirable activities engaged in in other parts of the world. On the whole, I believe the balance is in favor of private investment and export-import business. It remains an important source of business enterprise and profit.

But it is our failing; and what American business complains about most is that our Government, unlike the British Government, which is given always as a striking example, does not "go to bat" for its investors or its business people even when they are right. The theory in the State Department is that American business is wrong, that it has something it should not have, that it has done something unseemly, something which is not lawful. If there is one thing that discourages business, it is that attitude on the part of our Government.

We lawyers have a saying that it is not what the facts are, it is what the judge thinks they are, that counts.

The fact that the State Department may protest from today until doomsday does not have much help for American business. It must have a stronger counsel or advocate when a country expropriates business property or imposes other restrictions.

The Government has the right to assume that people of character, businesses with millions of investors in the United States and hundreds of thousands of employees are still entitled to the primary assumption that they are doing business in an honest way, until it is proved to be improper or dishonest or wrong.

We are touching this afternoon upon what may be the most important point in the bill. I hope the State Department will give this advice to all its echelons, even extending it to those who are just out of college and who have never had to make a payroll. They should take pride in American enterprise, which has been a great, dynamic force in the United States. They should feel that they can give to private enterprise, as we do to all others in the United States who are trying to do a job and who are patriotic—and it is patriotic and highly desirable to make useful investments all over the world—the assumption that it is living up to its responsibilities. The Department should assume, as it does with respect to all others, that they are doing business on a proper basis, that they have not made an improper contract or have not overreached in making a contract, and that, on the record, they are right until proved wrong. If they are wrong, the situation may be corrected, but if they are right, stand up and give them support, which may do more for morale than authority in a law or some restrictions which may be placed on the giving of aid, or the Hickenlooper amendment, or some other restriction.

So I hope very much that this lesson, in this remarkable area in which to discuss it, may sink in to our authorities. We are proud, we Americans, that every citizen has the right to be considered honest until proven guilty. And the overwhelming number of businessmen are honest. There are 17 million stockholders in this country, and there are 87 million insurance holders and bank depositors. They are investors. There are over 75 million individuals in our labor force. That is American business today.

I hope very much that the State Department will pay serious attention to the concept which has been uttered here today in this respect.

Mr. President, before I yield the floor, and in deference to the request of the Senator from Oregon [Mr. MORSE], I hope there will be enough Senators present to grant the yeas and nays on this amendment. The chairman of the committee is willing to take the amendment, but the Senator from Oregon has asked for a rollcall. So I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill—H.R. 6500—to authorize certain construction at military installations, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill—S. 1523—to make certain changes in the functions of the Beach Erosion Board and the Board of Engineers for Rivers and Harbors, and for other purposes, and it was signed by the President pro tempore.

CONSTRUCTION AT CERTAIN MILITARY INSTALLATIONS—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I desire to call up a privileged matter.

I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill—H.R. 6500—to authorize certain construction at military installations, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, I have a very brief statement to make with respect to the report, which was unanimous, and was signed by all the conferees representing both Houses.

There were 59 points of difference between the Senate and the House versions of the bill. The House conferees accepted the Senate's position on 51 of these. The remaining eight, four of which related merely to language adjustments, were resolved after some discussion.

The new total of the authority agreed to in conference is $1,642,253,380, which is $43,608,000 below the bill as passed by the Senate, and $5,425,380 above the amount approved in the House-passed bill.

I may say that a large part of that increase is accounted for by estimates that were submitted to the Senate after the bill had passed the House.

The reduction in the amount granted by the Senate bill consisted primarily of two elements. The first relates to title V, the housing portion of the bill. I have previously called to the attention of the Senate the proposed program of the Defense Department to provide about 62,000 new units of military family housing over the next 5 years. The Senate approved 12,220 units as the fiscal year 1964 increment of this program. This was in contrast to 10,000 units approved by the House of Representatives, which would have stretched the program out over a 6-year period, rather than the 5-year period envisioned by the Department of Defense.

However, in consideration of the fact that in past years the Defense Department has frequently been unable to execute entirely the programs approved due to changes and delays, the House position prevailed and 10,140 units of housing were approved. Dollarwise, this amounted to a reduction of $35,131,000 in the amount of the authority approved by the Senate.

The other reduction of substance was made in the classified section of the Navy portion of the bill and amounted to $8,437,000. For 2 years now, the Congress has disapproved the proposed realinement of certain military installations in Puerto Rico, resulting in the denial of authority for various construction projects relating thereto. It has been difficult to determine just what projects submitted for approval are operational requirements and which are those relating to the realinement plan. It was concluded that projects in the amount referred to could be safely deferred until the fiscal year 1965 program.

Finally, I would like to advert briefly to one adjustment made in title VII of the bill which relates to the reserve components. The bill as it passed the House of Representatives contained a provision which would have permitted the renovation and repair of two State-owned facilities in the State of New York which are under lease to the Government for the use of the Naval Reserve. This provision was deleted by the Senate, primarily because complete details and figures were not available at the time the bill was under consideration. This provision was restored in conference as it was believed to be in the best interests of the Government to do so.

Mr. President, I believe the results achieved are sound and that the construction needs of the military have been adequately provided for in fiscal year 1964.

I therefore move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF TITLE 28 OF THE UNITED STATES CODE, RELATING TO VENUE GENERALLY—REQUEST TO HOUSE OF REPRESENTATIVES FOR RETURN OF PAPERS

Mr. RUSSELL. Mr. President, page 20601 of the RECORD of yesterday shows that the Senate passed H.R. 2985, to amend section 1391 of title 28 of the United States Code, relating to venue generally in the U.S. district courts. It would extend the jurisdiction of these courts in tort cases. I can conceive of two or three instances where the enactment of the bill might have a rather unfortunate result. I assume it was drafted with a view to simplifying trial procedure in tort cases, such as in the case of a motorist from Maine and one from Utah, for example, who might collide in Florida. The bill passed by the Senate would settle the jurisdiction where the witnesses were readily available.

However, it might have more far-reaching implications than that. I therefore ask unanimous consent that the bill may be reconsidered and returned to the calendar so that I may have an opportunity to examine it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RUSSELL subsequently said: Mr. President, I understand that the bill to which I referred, H.R. 2985, has been messaged to the House. I ask unanimous consent that the House be requested to return the bill to the Senate and that it be reconsidered.

On request of Mr. RUSSELL, and by unanimous consent, it was—

Ordered, That the House of Representatives be requested to return to the Senate the bill—H.R. 2985—to amend section 1391 of title 28 of the United States Code, relating to venue generally, which passed the Senate October 30, 1963.

SERVICE OF HAROLD W. PERKINS

Mr. COTTON. Mr. President, I wish to take a moment of the Senate's time, because I want to have the RECORD show—as I believe it will be of interest to the Senate, especially Senators on the Republican side of the aisle—that a young man, Harold W. Perkins, who is the chief assistant in the Republican cloakroom, and who came to the Senate as chief messenger in the Republican cloakroom 5 years ago, on July 8, 1958, is terminating his service here today.

He is a young man in whom we, of New Hampshire, take great pride. He is the son of parents who are distinguished citizens of our State. He came here as some of us in the Senate came here, notably the distinguished Senator from Nevada [Mr. BIBLE] and myself, as attachés of the Senate, and attended law school in Washington.

Mr. Perkins graduated from New England College, came here as an assistant in the Republican cloakroom, and graduated from the Law School of the American University in Washington. He was admitted to the New Hampshire Bar in August.

Mr. Perkins is terminating his service here and returning to New Hampshire to

practice law in the office of, and in association with, his father, Francis Perkins, in Concord, N.H.

Although the position is not a matter of individual patronage, Mr. Perkins was recommended and brought here by my late, beloved senior colleague, Senator Styles Bridges.

I am sure that the Members of the Senate on the Republican side, with whom Mr. Perkins has been in contact and whom he has served, know him as a courteous, quiet, efficient, and considerate young man of great ability.

Our good wishes go with him as he returns to our State to take up the practice of law.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. GRUENING obtained the floor.

Mr. GRUENING. Mr. President, I yield to my colleague from Alaska.

FOOD FOR PEACE

Mr. BARTLETT. I thank my colleague for yielding to me, especially because I know the subject which I intend to discuss is of great interest to him.

Mr. President, section 403(b) of the Foreign Assistance Act amends Public Law 480—the Agricultural Trade Development and Assistance Act of 1954—to permit surplus fish products to be sold under title 1 and title 4 of the food-for-peace program.

The need for this amendment has been clearly indicated when underdeveloped countries in need of high quality food protein have attempted to purchase fish products under the food-for-peace program. As a specific example, India last fall attempted to purchase canned fish in an effort to meet what is regarded as the most serious nutrition problem in India, namely, a protein deficiency. At the present time fish products may not be utilized under the food-for-peace program.

I believe the food-for-peace program must be capable of meeting the full range of nutritional needs. At the Food and Agriculture Organization Conference, held in Washington on "Fish and Nutrition" in 1961, the chairman of the conference stated:

> The dietary nutrient most lacking in deficient diets all over the world is a good quality protein.

Fish is recognized as one of the world's finest sources of protein.

The amendment is drafted to permit surplus fish products to be sold under either title 1—sales for foreign currency—or under title 4—dollar sales with long-term loans. The amendment does not authorize surplus fish products to be donated or given away under title 2—for famine or disaster relief—or under title 3—for donations to needy persons. Only sales of surplus fish products, not gifts, are permitted under the amendment.

However, before any fish product is permitted to be sold under the program the Secretary of the Interior must determine that the fish product is in surplus. The term "surplus" is defined in the amendment in the same manner as surplus agricultural products are defined, namely, that supply in excess of first, domestic requirements; second, adequate carryover; and, third, anticipated exports for dollars.

The Department of the Interior has stated that there are some 30 major species of fish caught in the United States. Many of these show a wide variation in production from year to year. Each year several species of fish are found in surplus. It is true that compared to agricultural surpluses these are not large. It is also true that these surpluses have not been generated by any system of support prices.

The Department of Interior has provided information that indicates there has been a surplus in the production of several species of fish in the past few years. In 1962 and 1963, canned sardine production in Maine has been recorded at 2.1 and 1.5 million cases respectively. Annual carryover was 1.6 million cases in 1962 and 1.4 million cases this year. Most of this heavy carryover could be considered as surplus under the amendment. At the current market value this surplus could be made available for sale under title 1 or 4 for approximately $10 million.

Mr. MUSKIE. Mr. President, will the Senator from Alaska yield?

Mr. BARTLETT. I do not have the floor, but I shall be most happy to yield to the Senator from Maine, if my colleague from Alaska [Mr. GRUENING] will permit me to do so, with the understanding that he will not lose the floor at the conclusion of my remarks.

Mr. MUSKIE. Mr. President, I compliment the distinguished Senator from Alaska for the speech he is making on a section of the Foreign Assistance Act which is of importance to my State. He is clearly establishing numerous reasons why fisheries products should be included under the food-for-peace program.

Fish products are nutritious. They are an inexpensive source of protein. They would serve a real need in many countries throughout the world which require a cheap source of nourishment. In addition, they can be easily transported, distributed, and stored for indefinite periods prior to using.

I wish to reemphasize that this amendment would cover only export sales of surplus fisheries products. There would be no giveaways to foreign countries.

Surplus situations frequently occur in the fishing industry because of the differences in the yearly catch. We in Maine are acutely aware of this problem. Our sardine industry has been plagued by surpluses over the past 2 years; 1.6 million cases were carried over from the 1962 season; 1.4 million cases in 1963. The Senator from Alaska [Mr. BARTLETT] has already referred to this. This carryover could be considered surplus and declared eligible for participation in the food-for-peace program under the terms of the proposed amendment.

This continuing surplus in the Maine sardine industry has had a depressing effect on the entire area. At least four Maine sardine plants have been closed during the past year and a half. Removal of the surplus through sales to foreign countries would solve at least one part of the industry's problem.

It seems only just that the American fishing industry, which has been so adversely affected by foreign fish imports, should be given this slight assistance to place them in a competitive position in foreign markets. Several countries in need of high quality food protein have expressed an interest in purchasing American fish products under the food-for-peace program. Under present law, our hands are tied. The amendment under discussion is needed to assist a deserving American industry which has been too often neglected.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I have received from Mr. David H. Hart, chairman of the Atlantic States Marine Fisheries Commission, on this subject.

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

CAPE MAY, N.J.,
October 31, 1963.

Senator EDMUND S. MUSKIE,
Washington, D.C.:

The Atlantic States Marine Fisheries Commission, of which your State is a member, respectfully request your support for Senator FULBRIGHT's amendment to H.R. 7885, the foreign aid assistance authorization bill. If fishery products are included in the food-for-peace program it would be a great help in aiding our domestic fishing industry.

DAVID H. HART,
Chairman of the Commission.

Mr. MUSKIE. Mr. President, I should like to bring to the attention of the distinguished Senator from Alaska [Mr. BARTLETT] a letter I have received from Mr. Carl Wight, sales manager of the Seaboard Packing Co., of Bath, Maine, in which he says:

> If we were included in the food-for-peace program, we feel that this could be of great assistance to our industry as well as other participating industries. As you are aware, our industry suffers from lack of finance, and in the rush of the packing season many canners, because of their inadequate financing, are forced to dump sardines on the market at very low—even distressed—prices. If the food-for-peace program were set up to include sardines, Government procurement of sardines during this rush period would greatly strengthen our entire industry. Such a program would no doubt give us a key as to where we might look abroad to expand our present marketing of sardines.

Mr. BARTLETT. Mr. President, I am grateful to the Senator from Maine for the contribution he has made to the discussion. The Senate has already passed considerable fisheries legislation this year. In respect to all of it, the junior Senator from Maine, mindful of the interests of fishermen, has been in the forefront. His assistance has been valuable and appreciated, not only on the Maine coast, but in all the coastal States which have such a great interest in the fisheries.

Mr. MUSKIE. The name of the distinguished senior Senator from Alaska [Mr. BARTLETT] is well recognized as being in the forefront of the fisheries industry, which has fallen upon hard times

in recent years. The amendment to which he is addressing himself might well be considered a part of the reciprocal trade program. It would be of assistance to domestic industry and, at the same time, would provide a high protein food at low cost to countries overseas.

Mr. BARTLETT. As I shall point out later in the remarks I propose to make, it would be helpful in great measure in relieving our balance-of-payments situtation, which is of special importance these days, as we all know so well.

In recent years, we have also developed a substantial surplus in pink salmon. In so stating, I am transferring myself from the Atlantic to the Pacific coast. During the past 2 years, production has been about 2 million cases annually. A carryover has built up over the past 2 years, amounting to approximately 1.5 million cases. That is a great deal of pink salmon, or any kind of salmon, or any kind of fish. This surplus could be made available for sale under the amendment and would involve approximately $35 million in export sales.

It would not be a giveaway, as the Senator from Maine [Mr. MUSKIE] has already properly pointed out, but a commercial enterprise, which has so many beneficial effects, including, of course, the placing of a needed, valuable, concentrated protein in countries where such a diet is so greatly needed.

Another recent example involves Pacific mackerel. During the past 3 years production has ranged between 1.2 and 1.5 million cases. From the information available, a carryover of approximately 600,000 cases is expected this year. This surplus could be made available for export sale at approximately $3 million.

This information makes it quite clear that from time to time we do have a surplus production of some species of fish but that the surpluses are not large in comparison with agricultural surpluses.

I should like to emphasize that it is not the intention, purpose, or desire of those who are interested in the fisheries and in favor of the amendment to create unnecessary surpluses of fish of whatever kind, although the surpluses may come within the terms and meaning of the amendment. We are talking about surpluses which normally occur and which have occurred many times in the past. It should also be clear that the surpluses of fishery products will be disposed of by export sales only with no encouragement for the accumulation of surplus or the disposition of surpluses by grant or gift. The amendment only gives encouragement to exports of surplus fish products; it offers no guaranteed markets and will not encourage any surplus for surplus sake.

Under the amendment, surplus fishery products could be sold under title 1 or title 4 of Public Law 480. Sales under title 1 will first be considered. This involves sales for foreign currency. Today, an American exporter of fish products can sell abroad only when the prospective foreign purchaser has American dollars to pay for the product. Underdeveloped nations in desperate need for protein have no dollars to spend on American fishery imports. Under this amendment these friendly nations would be permitted to buy American fish products and pay for them in their own local currency. The local currency will be accepted as payment by the United States to meet our defense obligations, economic and military aid and other commitments in the recipient country. The American supplier will receive a dollar equivalent from his local bank, through the Commodity Credit Corporation. These foreign currencies reduce our requirements for purchasing additional foreign currencies with dollars, and thereby assist in leveling our balance-of-payments deficit. In 1961, Congress authorized $4.5 billion for title 1 for use from January 1, 1962, until December 31, 1964. This authorization was made for the purpose of programing the disposition of surplus agricultural commodities anticipated during that 3-year period. For this reason—because the program had already been arranged, agreed upon, and accepted—the amendment suspends the effective date for sales under title 1 until the beginning of the calendar year 1965. Congress will thereby have an opportunity to include in subsequent authorizations and appropriations during 1964 a sum adequate to cover the disposition of both surplus agricultural commodities and surplus fish products under title 1 after January 1, 1965.

The second provision of the amendment authorizes surplus fish products to be sold under title 4. The purpose of title 4 is to encourage U.S. dollar exports of surplus products, to develop foreign markets for these products, and to assist in the development of the economies and health standards of friendly nations. Under this title the United States may engage in long-term supply and credit sales agreements with foreign traders and with Governments of friendly nations. As of June 30 of this year, title 4 agreements, signed with 16 countries were valued at $195 million. The maximum period over which payments may be made is 20 years. The interest rate fixed in the sales agreements with private traders is the cost of the funds through the U.S. Treasury for comparable maturities. As of September 1963 this interest rate for foreign trades amounted to 3⅝ to 4 percent, depending upon the length of the payment period of the loan.

As of September 1963 the following agricultural commodities were considered in surplus, and therefore available for sale under title 4: Wheat, rice, eggs, chickens, turkeys, butter, cheese, milk, beef, pork, variety meats, lamb, onions, potatoes, dates, canned peaches, peas, and beans. Sales under title 4 can be made only to those friendly nations in which such sales would not displace U.S. cash dollar sales or commercial sales of other friendly countries. This has meant that most sales have been authorized for Central and South America, the Middle East, Asia, and Africa. No sales are permitted to Communist countries.

The extension of long-term dollar credits to friendly nations which need adequate protein supplements for their diet will prove a great benefit both for our food-for-peace program and for developing new markets abroad. A foreign purchaser at the present time must pay in cash for American fish products. This has been a hindrance to the development of our export markets. Under the amendment, long-term loans could be made available to importers in friendly countries interested in buying American fish products for dollars. This program, which has no budget authorization ceiling, permits the Commodity Credit Corporation to hold secured notes from foreign countries and foreign private traders, and permits cash payment in dollars to American exporters. Sales of surplus fish under title 4 would be immediately possible under the amendment.

I believe this is a constructive amendment. Two-thirds of the world population does not receive an adequate daily diet. Increased protein in diet is the most widespread and most urgent need. Fish is the least expensive and most efficiently stored source of food protein. It follows, in a rather obvious and compelling fashion, that our food for peace program needs fish.

We have surpluses of fish which could be sold and exported to these underdeveloped countries in need of food protein. The encouragement of exports is, to me, an obviously intelligent and correct way to dispose of the surpluses of fish products, as well as agricultural products.

In conclusion, I should like to state that this program, both in its general aspects and specifically, I believe, has the hearty endorsement of the director of the food-for-peace program, Mr. Richard W. Reuter, who is aware of the very great advantages which would flow to the program for which he is responsible if fish, which has very great protein value, could be sold under the provisions of the amendment, to friendly nations.

Mr. DOUGLAS and Mr. SALTONSTALL addressed the Chair.

Mr. GRUENING. Mr. President, I shall be very happy to yield to the Senator from Illinois, and then to the Senator from Massachusetts.

First, I point out that it is most significant and heartening that in support of the fisheries amendment are a Senator from our farthest west State, Alaska, a Senator from the farthest east State, Maine, and also a Senator from what has properly been called "The First Province of the Middle Kingdom, Illinois," situated in the Great Lakes area.

So at this time I am happy to yield, first, to the Senator from Illinois [Mr. DOUGLAS], provided I may do so with the understanding that I shall not thereby lose the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, I commend the two Senators from Alaska and other Senators for this amendment, which I think is highly constructive.

Mr. BARTLETT. Mr. President, I am almost afraid to come to grips with the Senator from Illinois in connection with

this matter, because I understand he almost turned the senior Senator from Minnesota away from oysters, following their discussion of this general subject.

Mr. DOUGLAS. Is it not true that what is popularly known as fish flour or fish protein concentrate, a part of which I now am putting into a saucer held by the Senator from Alaska, is an extremely efficient form of high-protein concentrate available at low cost to the public?

Mr. BARTLETT. I am bound to agree with the Senator. The objections made to the use of that product carry no weight with me. I am very fond of the small sardines which I understand have been fully processed.

Mr. DOUGLAS. This high-protein fish concentrate can be sprinkled on rice or potatoes, put into soup, made into bread, and spread on vegetables. It can be used in various forms. It is 85 percent protein, is it not?

Mr. BARTLETT. I had a big lunch a short while ago, but I am almost tempted.

Mr. DOUGLAS. I think it should be spread on other foods and not eaten by itself.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois permit other Senators to enjoy the fruits of his research?

Mr. DOUGLAS. Yes. I have in my hand a high protein concentrate popularly known as fish flour.

Mr. SALTONSTALL. I enjoyed some of it yesterday in the Senator's office.

Mr. DOUGLAS. It was good, too, was it not?

Mr. SALTONSTALL. Certainly.

Mr. DOUGLAS. I have suggested that this product would be particularly appropriate for export to tropical countries where, because of lack of refrigeration, milk and fish will not keep.

Mr. BARTLETT. Very seriously—and it is a serious subject, of course—I am bound to agree with the Senator from Illinois.

Mr. DOUGLAS. This product can be produced in quantity for about 14 cents a pound. Is that not true?

Mr. BARTLETT. That is my understanding.

Mr. DOUGLAS. It is 85 percent pure protein.

Mr. BARTLETT. Of course, I would not limit its distribution to tropical countries.

Mr. DOUGLAS. I understand. I shall come to that point in a moment. It is perfect for export. The product to which I refer would be included under the provisions of the amendment sponsored by the Senator from Alaska and others. Is that not true?

Mr. BARTLETT. Most assuredly.

Mr. DOUGLAS. The distribution of the product would open a market for American fish.

Mr. BARTLETT. It would serve a great purpose for the people who receive it.

Mr. DOUGLAS. The National Academy of Science has pronounced the product perfectly safe and perfectly wholesome. Is it not true that its effects are totally good?

Mr. BARTLETT. Its appearance is altogether appetizing.

Mr. DOUGLAS. The Senator has made a very interesting point. As the Senator from Alaska knows, the Food and Drug Administration, under the direction of Mr. George P. Larrick, has refused to permit this product to be sold for human consumption, because, according to him it arouses unesthetic thoughts.

Mr. BARTLETT. He allows me to eat those sardines.

Mr. DOUGLAS. Sardines are all right.

Mr. BARTLETT. I might add, for the benefit of the Senator from Maine, that they are good, too.

Mr. DOUGLAS. The fish flour, however, is excluded because it is taken from the whole fish.

Mr. BARTLETT. The judgment of the Commissioner is in error and ought to be reversed forthwith.

Mr. DOUGLAS. He has excluded, even though it passes through approximately eight alcohol washes, eight water washes, and in addition is thoroughly baked and is ground into a fine, brown powder, and is completely sterile. Yet Mr. Larrick has said that the product arouses unesthetic thoughts.

I should like to ask the distinguished Senator from Massachusetts [Mr. SALTONSTALL], who, I believe, lives near the Boston Fine Arts Museum, and therefore is an expert on esthetics, whether that product arouses unesthetic thoughts in his mind.

Mr. SALTONSTALL. No. It stimulates a very good appetite; but I do not know much about the esthetic qualities.

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

Mr. DOUGLAS. I yield.

Mr. GRUENING. The Senator from Alaska has enjoyed the colloquy, particularly the contribution of the Senator from Massachusetts, because his opinion on that subject, as on many other subjects, is well grounded.

Mr. DOUGLAS. The Senator from Massachusetts lives near the famous Gardner Museum built by Bernard Berenson, and near the Boston Fine Arts Museum. Therefore, I think he is an authority on esthetics. If he pronounces the product which I hold in my hand esthetic, I would take his judgment in preference to that of Mr. George P. Larrick.

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

Mr. DOUGLAS. I yield.

Mr. SALTONSTALL. Comparisons are difficult, but I am confident that what the Senator from Illinois has said is entirely correct.

Mr. DOUGLAS. Is not the Senator aware that Mr. Larrick has barred the sale within the United States of high-protein fish concentrate in the form in which it appears in the container which I now hold in my hand?

Mr. BARTLETT. I am aware of that, but until a moment ago, while the Senator was discussing the subject with the Senator from Massachusetts, I was not aware of another fact, which is, that the ash content of the product is just under 14 percent, and the moisture content is only 1.9 percent. All the rest of the product is protein; and of fat there is only a trace.

The product might be the greatest reducing food in the history of the world for some of us who have more to eat than do people in the underdeveloped countries.

Mr. DOUGLAS. It could really put bone and cartilage into the bodies of people who are at present deficient.

Mr. BARTLETT. And good strong muscle.

Mr. DOUGLAS. At the same time that Mr. Larrick has prohibited the sale of this product inside the United States, he permits the sale of other interesting products. I have in my hand a product of dried fish produced by the Quing Ling Moon establishment in Hong Kong. Does the Senator think that the product is very esthetic?

Mr. BARTLETT. It looks a bit on the suspicious side to me.

Mr. DOUGLAS. The Senator will notice two creatures which are bugs.

Mr. BARTLETT. They are plainly visible.

Mr. DOUGLAS. Let the RECORD show that they are plainly visible.

Mr. GORE. Are they young roaches?

Mr. DOUGLAS. I have had this product for approximately a year. They were there when I bought it. They are still there; so they are at least middle-aged roaches. [Laughter.]

The Senator from Alaska has mentioned the fact that Mr. Larrick permits the sale of sardines. Sardines have a gastrointestinal tract, and in many cases the sardines are eaten with the gastrointestinal tract intact. Is that not true?

Mr. BARTLETT. I believe customarily that is true.

Mr. DOUGLAS. Is it not true that clams and oysters also are eaten in that manner?

Mr. BARTLETT. I have a stouter stomach than has the Senator from Minnesota. I admit that without any qualms.

Mr. DOUGLAS. There are some other things which the Food and Drug Administration permits to be sold. Will the Senator read what is stated with reference to the particular product which I exhibit to him?

Mr. BARTLETT. I shall be happy to read the words. I notice some very fancy wrapping. The text is "Chocolate-covered menagerie—ants, silverfish, caterpillars, gold baby bees, grasshoppers—"

Mr. DOUGLAS. They are covered with chocolate and salt, but they have gastrointestinal tracts, too. Does that product arouse esthetic thoughts in the Senator so that he would be able to eat that product?

Mr. BARTLETT. I might be able to, but I do not propose to do so.

Mr. DOUGLAS. I have had to conceal such products from myself, because they arouse such unesthetic thoughts.

Mr. BARTLETT. I notice that the Senator handed them to me very hastily.

Mr. DOUGLAS. Will the Senator from Alaska read what is stated on the label of the product which I now hand to him?

Mr. BARTLETT. Yes. The Senator has handed me another delicacy. I am

trying to find where it was produced. It is a product of Japan. Cottonseed oil and salt have been added. Although produced in Japan, the product bears the name "Dutch Garden fried silkworms."

Mr. DOUGLAS. Fried silkworms?

Mr. BARTLETT. No less.

Mr. DOUGLAS. Does it seem esthetic to the Senator to eat fried silkworms?

Mr. BARTLETT. On the contrary.

Mr. DOUGLAS. That poduct is permitted, by Mr. George P. Larrick, head of the Food and Drug Administration, to be sold in this country.

Mr. BARTLETT. This is another Dutch Garden product. This can, according to the label, holds fried ants within it, with something else added.

I am now examining a sort of tubular container which has been handed to me by the Senator from Illinois. This is a product of France, and it is denominated as containing 24 snails, "very big." The snails have champagne to go with them; and salt has been added.

Mr. DOUGLAS. Does that seem esthetic to the Senator?

Mr. BARTLETT. At the moment the snails look more like shells that might be picked up at the seashore. I do not customarily eat them.

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

Mr. GRUENING. I yield.

Mr. KEATING. I was temporarily delayed in reaching the Chamber. I am interested in this demonstration. I wonder if these products are what the Senator from Illinois will use for "trick or treat" tonight, this being Hallowe'en.

Mr. DOUGLAS. I had not thought of that.

Mr. GORE. The Senator has not seen the roaches.

Mr. DOUGLAS. If the Senator will call on me tonight, after 7 o'clock, I shall be delighted to give him some fish flour. If he demands them, I also have some fried ants.

Here is some tongue spread. That should be excellent for political orators.

Mr. KEATING. This is very interesting, and I am sure it is helpful.

Mr. GORE. What about the middle-sized roaches?

Mr. DOUGLAS. Middle-sized roaches are unfamiliar to members of the Republican Party, I am sure.

Mr. KEATING. We are looking for big roaches somewhere else. I have eaten some of the grasshoppers and some of the ants, and they are pretty good. But not the chocolate-covered ants. I do not believe chocolate is good for the blood. The others are pretty good.

Mr. DOUGLAS. Will the Senator try some fish flour?

Mr. KEATING. I shall be around tonight.

Mr. DOUGLAS. I do not wish to prolong this colloquy, but I also, have some imported sardines.

Mr. BARTLETT. I eat them all the time. They are delightful.

Mr. DOUGLAS. Here are some chocolate-covered ants. Somewhere in my office I also have some rattlesnake meat—which I do not like.

Mr. BARTLETT. That is one of the least desirable dishes.

Mr. DOUGLAS. Here are some chocolate-covered baby bees. Here is the tongue spread. Here are some more fried grasshoppers. We have had the fried ants and the fried grasshoppers.

Mr. BARTLETT. The Senator has a whole bagful there.

Mr. DOUGLAS. Oh, yes; and more at home. Here is a charming object. Would that not make one's heart leap in anticipation of a glorious meal?

Mr. BARTLETT. No. I do not know what it is. I wish the Senator would enlighten me.

Mr. DOUGLAS. This is dried squid. This is permitted by Mr. Larrick.

The purpose of displaying all of these products is to show how foolish the Food and Drug Administration can be. It prohibits the sale of a fine product which is 85 percent protein, and is cheap. However, the Food and Drug Administration feels this does not excite the esthetic sensibilities or taste.

Mr. BARTLETT. It is appealing to the eye.

Mr. DOUGLAS. Yet the Food and Drug Administration permits the sale of all these other products, which 99 44/100 percent of the American people, except possibly the Senator from New York, would regard as extremely unesthetic and unattractive.

I should invite Mr. Larrick, who thinks that these products are fine, to have lunch with me. I tried to get him to take some fish flour, but he refused.

Mr. BARTLETT. Did the Senator offer him any ants?

Mr. DOUGLAS. I believe I will have to invite him to have some chocolate-covered ants, some fried grasshoppers, fried ants, snails, and squid—and especially the roaches in their dried form.

I wish the Senator from Alaska well. I hope we can open up a market for high-protein fish concentrate both at home and abroad.

Mr. BARTLETT. In all seriousness, I thank the Senator for his help, because I know how much this program means to him. I know how important it is. The senior Senator from Massachusetts [Mr. SALTONSTALL] has been helpful concerning this amendment and concerning all the other fishery legislation that has been considered, so much of which has been passed by the Senate this year, as has been his colleague from the Commonwealth of Massachusetts [Mr. KENNEDY].

Mr. SALTONSTALL. Mr. President, I will appreciate it if the Senator will yield to me at this time because I must attend an independent offices committee meeting downstairs.

Mr. GRUENING. I am glad to yield.

Mr. SALTONSTALL. I enjoyed a second breakfast in the office of the Senator from Illinois the other morning, when he had enough hunger and enough estheticism to eat a great deal after his first breakfast.

Mr. President, the Senator from Alaska has made very competent remarks concerning this amendment to the foreign aid bill.

Many amendments have been made to Public Law 480 since its inception. What this committee amendment does is merely to include surplus fisheries products, as designated by the Secretary of the Interior, under the food for peace program.

At the present time we in New England seldom have surpluses. The price our fishermen receive for their catch does not encourage surpluses. Occasionally we do have an oversupply of one species. This bill would not encourage overharvesting merely to build up surpluses, but would make these products available to friendly nations which are endeavoring to develop sources of much-needed protein.

Several countries have attempted to meet that need through the importation of U.S. fisheries products. I hope that the Senate will adopt this amendment in order to answer that need, and in order to establish oversea markets for our fish products. This is not another giveaway program. We are merely facilitating the purchase of these goods by making them available for purchase by friendly nations with their own currency.

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

Mr. GRUENING. I should like to finish my discussion of this subject, if I may, first.

I congratulate my colleague [Mr. BARTLETT], the Senator from Maine, and the Senator from Illinois [Mr. DOUGLAS], for their part in this discussion. I ask one pertinent question of the Senator from Illinois: Does Mr. Larrick's prohibition against the use of fish protein concentrate by the people of the United States prohibit its use in a foreign aid program?

Mr. DOUGLAS. No; it does not. It is permitted to be sold abroad, but there is a prohibition on its being sold at home. We have here a double standard. The difficulty will be, if it is sold abroad, that the Communists will say we are unloading on the people of other countries articles we do not permit Americans to consume.

Mr. GRUENING. There is an excellent refutation for that. It is that fact that we are far more generous with folks abroad than we are with folks at home.

Mr. DOUGLAS. I believe that is true.

Mr. GRUENING. We do many things in our foreign aid program which might also be desirable for us, but which we Americans cannot have. I believe the fact that we can provide this admirable nutritious inexpensive product, fish protein concentrate, to folks abroad should be a stimulus for a move to abolish this double standard and to give Americans at least equal treatment with people in foreign countries. I hope the Senator from Illinois will support that move.

Mr. DOUGLAS. I certainly will. As I say, my invitation goes out to Mr. Larrick to have some of these products which he likes so well—the chocolate covered ants, the baby bees, the fried grasshoppers, the fried worms, the squid, the snails, the oysters, the clams, the sardines, and the like.

Mr. KENNEDY rose.

Mr. GRUENING. I see that the distinguished junior Senator from Massachusetts [Mr. KENNEDY] wishes to take part in this colloquy, and I am glad to yield to him.

Mr. KENNEDY. Mr. President, I appreciate the kindness of the Senator from Alaska. I certainly want to indicate my complete and wholehearted support for the efforts which have been made by the Senators from Alaska [Mr. BARTLETT and Mr. GRUENING] and the Senator from Illinois [Mr. DOUGLAS], as well as many other Senators who have taken up this courageous fight and who recognize so well the great problems of hunger and malnutrition which exist in other parts of the world particularly as to developing the countries of the world.

We know that 2 billion people who live in the world today are in a serious condition of malnutrition. We as a nation have come to recognize that fact, and it has been documented in international conferences that have addressed themselves to the problem of malnutrition and hunger. It leads us, as I believe it has led the Senator from Alaska, to the conclusion that protein deficiency can to a great extent be met by seafood; that fish products are ideally suited to meet the great problems of hunger; that the objectives of the food for peace program are to help those hundreds of millions of people in other parts of the world; that by including fish products in the great program of food for peace in this foreign aid bill, we are actually not only helping domestic industries, but also fulfilling an opportunity to help feed millions of people who do not have the benefit of the food surpluses we have.

Without question the inclusion of seafood in the food for peace program would stimulate our domestic industries, but it would also stimulate markets in other parts of the world, which will eventually help our exports and our balance-of-payments situation.

So I am delighted to join with my colleagues who started this battle before I came to the Senate, whose efforts in its behalf are well recognized by the people of Massachusetts. I wish to indicate to my colleagues not only that I am in sympathy with their efforts, but also that they will receive from both Massachusetts Senators the kind of help and support which I hope will aid in completion of the program encompassed by food for peace and foreign aid.

Mr. GRUENING. Mr. President, I think it is most appropriate that the Senator from Massachusetts, whose State has the sacred codfish as one of its important symbols, has added his remarks to the discussion.

I yield now to my colleague from Alaska.

Mr. BARTLETT. Mr. President, I am grateful to my colleague from Alaska for yielding to me at this time. I am heartened by the support of so many Senators.

Mr. GRUENING. Mr. President, we now move from the waters of the sea to the arid plains of Kansas. I yield to the Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, we preciate very much the distinguished Senator from Alaska's permitting me to have a moment or two. I want Senators to know that I have enjoyed this discussion between the Senators from Alaska, Illinois, and other States in regard to fish. I am a member of the Foreign Relations Committee, and I helped to write this provision into the bill. But I was a little concerned about leaving the RECORD as it is, and as it may be read by citizens away from this Chamber, in regard to the part played by the Food and Drug Administration.

I do not want anything in the RECORD to indicate that this great agency does not have the interest of the consuming public of this Nation at heart. It has rendered a great service, and is continuing to render a great service, to the consuming public. I would not want criticism of George Larrick to stand unchallenged. I am familiar with the fact that the Senator has been trying to have fish flour approved by the Food and Drug Administration for use by Americans. The Food and Drug Administration has not approved it. Personally, I hope it never will. It has just reasons for not doing so. I want the RECORD to show that I do not know of any agency that renders a greater service to consumers than does the Food and Drug Administration.

TRUTH IN LENDING MUST APPLY OVERSEAS AS WELL AS HOME

Mr. GRUENING. Mr. President, I shall now speak on my amendment numbered 232, to the foreign aid bill (H.R. 7885). This amendment, in the sponsorship of which I have been joined by Senators SIMPSON, ERVIN, MOSS, CANNON, DOMINICK, MORSE, YARBOROUGH, BIBLE, and SMATHERS, would require that foreign assistance loans bear interest at the same rate that the United States itself must pay to borrow money.

This may be called the truth in foreign aid lending amendment.

I am happy to borrow that suggestive title from the proposed legislation which the distinguished senior Senator from Illinois [Mr. DOUGLAS] has been trying to have enacted, to provide for truth in lending in our domestic affairs. We are no less entitled to truth in our foreign affairs.

In 1961—with the passage of the Foreign Assistance Act of 1961—there was a loud fanfare of publicity that the foreign aid program was being put on a hard-loan policy. We were told at that time that henceforth development loans would be repayable in dollars rather than in local currencies. We were told that loans would replace grants, against which there had been increasing objections in the Congress.

I must point out that at the time I pointed out on the floor of the Senate the glaring deficiency in the bill—the absolute discretion given to the Administrator of the AID program to fix repayment terms, including interest rates.

Despite this warning, the bill passed without closing the gap—without giving the guidelines to the foreign aid administrator as to the terms to be imposed upon development loans.

Since the passage of the 1961 act, $1,315,775,000 in development loans have been made on terms of three-fourths of 1 percent interest, repayment in 40 years, with preliminary grace periods of 10 years.

In order to make these loans, the United States has had to borrow the money. Now some will ask why I attribute all development loans to that part of the U.S. budget that is met by Treasury borrowing. Some will say that I should attribute to Treasury borrowing only that portion of the total of development loans as bears a relationship to the overall budget. That is, some say that the critics of my amendment argue that only part of development loans should be attributed to Treasury borrowing and the remainder should be attributed to tax revenues.

That analogy must be rejected.

There is a vast difference between U.S. expenditures for a hydroelectric project in the United States—expenditures for a project which will contribute to economic development of the United States—and the expenditures for a hydroelectric plant in a foreign country. The foreign expenditure will enure to the economic benefit of a foreign country and will not benefit, economically, the taxpayers of the United States.

It is therefore only fair to attribute all of the money loans abroad for the economic development of a foreign country to Treasury borrowing rather than tax revenues, because it is normal to assume that we are first using tax revenues to meet our domestic needs and after that we would borrow to meet not only the remainder of our domestic needs but our needs abroad.

Those who would suggest that we would meet our foreign needs out of tax revenues and then borrow to meet domestic needs are being totally unrealistic.

Therefore it is entirely sound to attribute the development loans made abroad to Treasury borrowing.

Four percent per annum interest is a conservative figure for the cost of money borrowed by the Government. Figuring even more conservatively, let us assume a figure of 3¾ percent interest as the cost to the United States of the money borrowed to enable it to make these loans. Not figuring interest on interest, it will cost the United States over the next 40 years approximately $780 million to make these loans in the sum of $1.3 billion.

To make loans totaling $1.3 billion, the United States must go further into the hole—assuming that the loans will be repaid, which is doubtful—to the extent of another $780 million—a concealed grant.

It can be said, therefore, that each development loan contains a hidden grant depending in size on the lowness of the interest rate and the repayment terms. Thus the $17-million loan to Egypt for grain storage facilities was made for three-fourths of 1 percent interest repayable in 40 years with the initial amortization rate set at more than 10 years after the date of the loan agreement. By the year 2002—when this loan is supposed to be paid up—even if the loan is paid in full as to principal and interest, it will have cost the U.S. taxpayers more than $12.5 million to make the $17 million loan—or almost 80 percent of the face value of the loan.

It is most gratifying to find that the House-passed bill—which the Senate Committee on Foreign Relations has moved to strike out—provides for a minimum of 2 percent interest on development loans. The Senate in its substitute for H.R. 7885 has followed suit.

But let us take a moment to analyze this 2 percent interest rate.

Why 2 percent? It does not meet the cost to the United States of borrowing money?

Why not 1 percent? Why not 3 percent?

There is neither logic nor magic in 2 percent.

It is as unrealistic as the present three-fourths of 1 percent.

It still makes a grant to the recipient country, but mislabels it and calls it a loan.

The taxpayers of the United States are entitled to insist on truthfulness in the foreign aid program. It is time to call a spade a spade. Let us have truth in our foreign lending program.

When I was in Cairo last winter, I witnessed the signing of the loan agreement so-called for $30 million to build the West Cairo powerplant. This too was for 40 years, 10-year grace period, three-fourths of 1 percent interest. This so-called loan will cost the U.S. taxpayers over $22.5 million if that is ever repaid. Thus, while presumably we loaned Egypt $30 million we at the same time gave Egypt a grant of over $22.5 million. Moreover, this is a moneymaking proposition for the Egyptian Government. It can charge the public whatever rates for electricity it pleases. There was no justification whatever for not making such a loan on a businesslike basis. One may wonder why the World Bank was not given an opportunity. The answer may lie in the fact that our Development Loan Administration sought to give the contract to an American firm which secured it. But why should the American taxpayer be asked to pay $22.5 million for this objective?

Mr. ROBERTSON. Mr. President, will the Senator yield at that point?

Mr. GRUENING. I yield to the Senator from Virginia.

Mr. ROBERTSON. I am very much interested in the figures the Senator has given, because when he yields the floor I hope to be recognized to make a speech on this subject, during which I shall read a letter which I wrote to the then Administrator, Paul Hoffman, on December 4, 1949, 14 years ago. I believe at that time we were making loans at 2½ percent. I urged him not to make any more loans, but to let the borrowing countries go through the Export-Import Bank, or the World Bank.

The Senator said some loans were made for as little as three-fourths of 1 percent.

Mr. GRUENING. More than a billion dollars has been loaned at that rate. I gave the exact figure, $1.3 billion, earlier in my remarks.

Mr. ROBERTSON. I did not have those figures, but I know that many of the loans would not be repaid no matter what the interest rate was.

After visiting all the countries in Europe, and seeing that the war-torn damages had been repaired, and that they were back on their feet, but that they would not trade with one another—there were trade restrictions and currency restrictions at that time—I recommended that the program be cut back to $2½ billion, a reduction of $1 billion. That was done. I also recommended that it be ended in 1951. That was not done.

A part of the letter I will read bears out what the Senator says, that on certain loans it will cost the taxpayers three-quarters of a billion dollars, represented by the difference between the interest that the countries will pay and what we will pay to the people from whom we borrow the money.

Mr. GRUENING. That is correct. Even while we are debating on the floor of the Senate, commitments are being made.

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

Mr. GRUENING. I yield.

Mr. ERVIN. Some time ago I received a newspaper article from Costa Rica. I am not able to read Spanish, so I sent the newspaper article to the Library of Congress, with the request that one of its experts in that field translate the article for me. I was astounded at what I read when I received the translation. If the Senator will permit me to do so, I ask unanimous consent that the translation of the article be printed in the RECORD at this point, for the information of the Senate. Then I will call the attention of Senators to certain statements in the article.

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

[Source: La Nacion, San José, Costa Rica, July 27, 1963]

LOANS FOR $80 MILLION—FOREIGN MINISTER ODUBER TRAVELS TO WASHINGTON TODAY TO SETTLE THE MATTER OF THE ACCOUNTS

Costa Rica is receiving $50 million, on a 40-year installment plan, without interest. Foreign Minister Oduber said: "In short, it's a gift that they're giving us." The other $30 million of the loan which is being negotiated is for: service [or local] roads, $4 million; for the SNAA, $10½ million; low-cost housing, $2 million.

Another $13 million[1] goes for a highway to Limón, with connections from Tortuguero, Reforma Penitenciaria [penitentiary], and the refinery contract as guarantee [security]. Foreign Minister Oduber will also take advantage of his trip to the United States to transact business with the World Bank for assistance on a study of the [Costa Rican] ports.

Oduber feels that personal visits with political and financial groups is more effective, and therefore he is going to Washington.

"Costa Rica," said the Foreign Minister, "is, in proportion, the country which receives most help from the Alliance for Progress."

Lic. Daniel Oduber Quiros, Minister of Foreign Affairs, held a press meeting yesterday to explain the reason for a trip which he is making to the United States.

"These trips, esteemed journalist, are very important. They are not merry interludes to enjoy myself. I'm going to confer with leaders, speak with businessmen, make connections with high U.S. Government officials. The President of the Republic is sending me to Washington, and when I return, I hope to tell you that we have obtained the 500 million colons [Costa Rican monetary unit] for various projects which we announced some time ago that Costa Rica would receive."

After this introduction, Lic. Oduber quickly outlined these loans. Actually, his trip is to settle the matter of the loans which total $80 million (or 500 million colons). Some of these loans have already been granted, and others are being processed.

THE 80 MILLION

There are $34 million already approved, $22 million of which will be for the ICE to finish the Cachi telephone project. Of the other 12 million, 5 will be used for agricultural development, and 7 for the SNAA.

"These $45 million are on a 40-year installment plan, and bear no interest. In short, it's a gift," said Foreign Minister Oduber.

Sixteen million dollars are approved for the Inter-American Highway, crossing Costa Rica from border to border. The amount of money needed for the highway is $23 million. The United States is giving us $16 million, or two-thirds of its cost as a gift. Costa Rica is providing the remaining one-third, and it has to be financed in some way.

Pending loans are as follows: Service [or local] roads, $4 million; the SNAA, $10½ million; low-cost housing, $2 million.

These loans are being processed in the Inter-American Development Bank. The Foreign Minister explained that it was necessary that the loan be granted soon because, in this way, a coordinated working plan could be carried on with the Inter-American Highway, construction of public roads, and service roads.

At this point, he emphasized that he had to make trips to see officials in the United States, and that Costa Rica is the country receiving the greatest per capita assistance from the Alliance for Progress.

He stated that he will take advantage of his trip to expedite (in the World Bank) a loan to be used for a study of [Costa Rican] ports. This money will come from a special United Nations fund.

He will negotiate another $13 million loan in Washington, and will use the refinery contract as a guaranty. This will be the $13 million for the highway to Limon, with connections from Tortuguero, Reforma Penitenciaria, an installation for social work and a hospital in Limon. This loan will run for 20 years.

The Foreign Minister ended the interview with these remarks: "These are the reasons for my trip. I'm going on business."

Mr. ERVIN. The article discusses some remarks made by the Foreign Minister of Costa Rica, Mr. Oduber, in respect to $50 million which Costa Rica had received on a 40-year installment plan without interest.

Undoubtedly the people of Costa Rica thought they were receiving a $50 million loan, on a 40-year installment plan, without interest. The Prime Minister continued:

In short, it's a gift that they're giving us.

In addition, the article proceeds to a discussion of the subject, during the course of which the Prime Minister boasts of the fact that Costa Rica, in proportion to its size, is receiving more aid, per capita, from the United States than any other Latin American country. Whether that is so, I do not know, but that was the assertion of the Foreign Minister.

[1] Translator's note: Totals only $29½ million—R.Ll.

Then the Foreign Minister called a press conference for the purpose of explaining his reason for going back to the United States to get more money. He states to the press of his country that they had received $50 million on a 40-year installment plan, which bears no interest, and he adds:

In short, it's a gift that they're giving us.

I should like to ask the Senator from Alaska this question: How can we expect the people of Costa Rica ever to pay back a 40-year loan without interest when an official of Costa Rica, who carries on the negotiations with the AID authorities to procure this money, assures the people of Costa Rica that it is a gift.

Mr. GRUENING. The answer is that those who are making the loans will not be around to be brought to accountability when the loans become due.

Mr. ERVIN. Does not the Senator recall that the Alliance for Progress was presented to the Senate with the assurance that the emphasis would be on loans rather than on grants?

Mr. GRUENING. That is correct.

Mr. ERVIN. Does the Senator consider that a 40-year loan without interest has any connection with a loan other than that it is a pretense for the purpose of making the American people believe that some day the people will get this money back?

Mr. GRUENING. It is a fraud that has been perpetrated on the American people, when, in response to dissatisfaction in Congress about so many grants being made, the AID administration or rather its predecessor by a different name but in the same field—foreign aid—stated it would change its policy and that, instead of making loans, it would make grants. Under the guise of making a loan, this is a loan and grant at the same time.

Mr. ERVIN. As a matter of substance, since we are operating in the red, are not we in reality borrowing money at a substantial rate of interest for the purpose of giving it to foreign countries?

Mr. GRUENING. That is precisely the point of my remarks. We, the people of the United States, are borrowing money at approximately 4 percent, and then we are making in the foreign aid program so-called loans, with no interest payment for a period of 10 years, and at an unconscionably low rate for the balance of the loan—three-quarters of 1 percent.

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

Mr. GRUENING. I yield.

Mr. RUSSELL. The Foreign Minister of Costa Rica was much more candid and forthright with his people, in saying that this was a gift, than our AID people were in perpetrating a deception in saying that it was a loan. He was much more forthright in explaining to the people of Costa Rica what the situation was than were our people who handle our tax money, when they called it a loan.

Mr. GRUENING. He should be brought to testify before the Foreign Relations Committee.

Mr. ERVIN. Mr. President, I should like to ask the Senator if he does not believe that the AID authorities, who negotiate a 40-year loan without interest, in regard to which the foreign minister of a country assures his people that it is a gift, not a loan, might do well to read the advice of Polonius to his son Laertes in Hamlet, when Polonius said:

Neither a borrower nor a lender be: for loan oft loses both itself and friend.

Does not the Senator feel that at the end of 40 years, if we call on the people of Costa Rica to repay the 40-year loan, which they have received from us without interest, they will demonstrate that Polonius was wiser than the AID officials when he said:

For loan oft loses both itself and friend.

Mr. GRUENING. I believe so. The Government of the United States might well apply to itself the subsequent advice of Polonius to Laertes:

This above all: to thine own self be true,
And it must follow, as the night the day,
Thou canst not then be false to any man.

I believe our Government agencies in this matter have been false to the American people in telling them that we are making loans, when we are not making loans.

Mr. ERVIN. I commend the Senator on the amendment he has submitted on this phase of the foreign aid program. The Senator is trying to make certain that hereafter the American people will be told the truth about pretended loans, which are, in fact, grants.

Mr. GRUENING. I am hopeful that the amendment will be adopted, so that this deception will no longer be perpetrated on the American people.

Mr. HUMPHREY. Mr. President, will the Senator from Alaska yield.

Mr. GRUENING. I yield with pleasure.

Mr. HUMPHREY. It distresses me greatly even to think of taking issue with my beloved friend from Alaska, a Senator whom I admire with unrestrained enthusiasm and sincerity. But there are at times differences.

Mr. GRUENING. I fear the worst when the start is so pleasant.

Mr. HUMPHREY. There are times when even good friends can disagree, and can do so without being disagreeable.

Mr. GRUENING. Yes, indeed.

Mr. HUMPHREY. It is my hope that in this discussion, while we may have some differences of opinion, we shall be able, at least, to be constructive and helpful toward a better understanding of the measure before the Senate.

I say to the Senator from Alaska that the section of the bill that relates to the Development Loan Fund is in the bill for a specific purpose; that is, all development loans are made under terms that are known as soft terms, because we consider such loans to be in our national interest and in furtherance of our foreign policy. We make loans through the Export-Import Bank at regular rates of interest, and they are repaid. The Export-Import Bank has made most of its loans to Latin American countries. The Export-Import Bank has made loans to the little country of Costa Rica, and the loans have been repaid. Export-Import Bank loans have been made all over the world, and the loans have been repaid.

World Bank loans are being made; and the problem of the World Bank today is that the rate of repayment is faster than the bank's ability to relend the money.

I am reminded by the distinguished Senator from Alabama [Mr. SPARKMAN] that voices were raised in Congress against participation by the United States in the World Bank. Most of the stock of the World Bank is American money. World Bank loans are being repaid.

The Development Loan Fund makes money available for projects which do not meet the standards of the Export-Import Bank or the World Bank, whose loans are known as hard loans. Development Loan Fund loans are made for projects that require development funds, projects that will require many years for the repayment of the loans. They are made for projects which we consider to be vital to the security of our country and the furtherance of our foreign policy.

One can say that such loans do not bear a high enough rate of interest; but it cannot be said they are not loans. They are loans, and the loans are being repaid.

What have we provided in this bill? We have increased the loan rate after the first 5 years of any loan from three-quarters of 1 percent to not less than 2 percent. Furthermore, we have reduced the terms from 40 to 30 years. It seems to me that we have taken into consideration some of the complaints that have been made by Senators.

Let us consider the little country of Costa Rica. If any of the countries in Latin America deserve the best from this country, it is Costa Rica. First of all, Costa Rica does not spend one dime on the futile effort of trying to maintain an army. Costa Rica does not waste its substance in trying to maintain an army. That little country does not try to have an army.

I thoroughly agree with the Senator from Alaska and other Senators that in most Latin American countries there is a waste of money in the procurement of military equipment. If it is desired to reduce expenditures in the bill, that is a good place to start.

Mr. GRUENING. I am glad to know that the Senator from Minnesota will support my amendment to eliminate our military aid in Latin America.

Mr. HUMPHREY. The Senator from Alaska has been active in this field for a long time.

Furthermore, Costa Rica pays its bills. The Foreign Minister of Costa Rica, Mr. Oduber, is one of the most effective foreign ministers in the whole world, and is one of the most ardent anti-Communists. He understands the principles of freedom and democracy. He is one of the great potential leaders of this hemisphere. Mr. Oduber went home and told the people of his country that the people of the United States are being generous to the people of Costa Rica.

For years, we have heard complaints in the Senate that nobody ever appre-

ciated us; that they did not like us; that when we were being good to them, they did not understand that we were being good. Now the Foreign Minister of Costa Rica has gone home and has told the people of his country that the people of the United States are being good to his country. Yet Senators say that foreign representatives never tell their people that we are good to them; or that if they do, they tell them that they are getting a gift, not a loan.

I know Mr. Oduber personally and intimately. He has been a guest in my home. I have known him for years. He is a man of probity, ability, and integrity. What he told the people of Costa Rica was that they received help from the U.S. Government. The Government of Costa Rica keeps its word. It has been keeping it for years. It has been keeping it just as well as the United States has been keeping its word.

I do not believe we should select little countries and say that they are unworthy of our trust. They are highly worthy of our trust.

I shall defend the Alliance for Progress at every opportunity. I do not say it is perfect. In Germany, I saw some tanks that were not operating, but that does not mean we will stop producing tanks.

Mistakes are made in the best of programs. Some of our best friends have not always paid their bills. Let me say for the countries that have received benefits from the Marshall plan that they have been paying their bills. Not only that, but they are getting around to paying some of ours. The Marshall plan worked well in Europe.

I thank the Senator from Alaska. I want him to clarify the question. If we lend money, regardless of the rate of interest, and the principal is paid back, is not that a loan?

Mr. GRUENING. If low-rate loans are desirable in the interest of national security, I should prefer, frankly, to make them grants. Let us consider the loan with respect to which I witnessed the signing of the agreement in Cairo. That was a loan of $30 million to build an electric powerplant. It was inevitably going to be a money-making, profitable enterprise. There was not the slightest connection with our national security in making that gift to Nasser, the dictator. It was not a loan made to a poor, struggling country, for a project that could not repay itself. This was a profit-making powerplant which could charge its customers whatever Nasser determined. It was inexcusable that we did not make it as an Export-Import Bank loan if it had to be made at all. I challenge the wisdom of those who urge that such projects are necessary to our national security and that we have to give away our substance on projects like that, that could well pay their freight in interest rates equivalent to those we have to pay when we borrow.

Mr. HUMPHREY. There is merit in the Senator's argument in reference to revenue-producing facilities.

Mr. GRUENING. That is what that one was.

Mr. HUMPHREY. In the bill now before the Senate, the language proposed by the Senator from Ohio [Mr. LAUSCHE] has been included, to the effect that no manufacturing, proprietary, or business enterprise loans shall be made if they compete with what we call normal private enterprise activities in the respective countries. There may be real cause for Senators to object in the case of a utility that is a revenue-producing enterprise, such as we have in our country, with certain guaranteed rates.

We can pick out specific cases in which bad loans may have been made. Only the other day, I spoke with one of the big bankers of the country. He told me that bad loans had been made from time to time. But the bank does not fire its president, who no doubt has made many good loans. Every banker makes bad loans occasionally. I hope it is not necessary to maintain perfection.

All I am saying and believing is that the AID officials, who are attempting to do this job well, and who have been subjected to unbelievable criticism by all of us, are just as much interested in protecting the dollar and just as much interested in the economy of this country as is any Member of Congress.

My complaint about these men is that they are too slow. They go around looking at every comma, every period, and every semicolon. They are too slow. They ought to take some risks. This country was not built by people who were timid, who did not take risks. Sometimes we lose before we get started.

I do not believe it is fair to say that our loan program has been a gift program. It is not a gift program. The loan program is a solid economic program, one that is designed to fulfill our foreign policy objectives, and not put the stigma of gift upon the recipient of the aid.

The Latin American countries do not want gifts. They want to pay back the loans that are made to them. They have a sense of pride, and they are paying back the loans. With few exceptions, they are making their payments; and I do not want this debate to be interpreted in Latin America as indicating that the U.S. Congress thinks those countries are unwilling to pay their bills. They have been paying them.

Mr. GRUENING. Mr. President, I must disagree with the Senator from Minnesota in regard to the record of such payments. There have been many defaults of Latin American bonds in the past; and the loans under the Alliance are far too recent to make it possible to say that they are being repaid. No repayments on them are as yet due.

Let us consider the situation as regards Brazil: whenever Brazil defaults, we refund the debt, and thus put off the day of reckoning.

I hesitate to disagree with the distinguished majority whip about the repayment record insofar as the countries of Latin America are concerned; but it is a very bad one.

Mr. ERVIN. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I yield.

Mr. ERVIN. The Senator from Minnesota intimated that perhaps I was discounting the ability of Foreign Minister Oduber. I consider him a very effective Foreign Minister. He is a great deal smarter than many of our representatives—as was demonstrated by his success in persuading them to make 40-year loans without interest. He will continue in office as long as he can continue to obtain such loans for his country.

The Senator from Minnesota also suggested that there might be another Castro. I ask the Senator from Alaska if it is a fact that for many years the United States—because it wanted to be of assistance to Cuba—paid Cuba anywhere from $150 million to $200 million a year for her sugar in addition to the price of the sugar on the world market, and did so for the purpose of assisting Cuba.

Mr. GRUENING. That is correct.

Mr. ERVIN. But Castro was the answer to that investment by our country, was he not?

Mr. GRUENING. Yes; and today we are taxing the American people indirectly by requiring them to pay far more for sugar than they should pay; our Government is doing that in order to help other countries which produce sugar. This is one of the indirect subsidies, similiar to the subsidy on coffee, achieved through the coffee agreement enacted a few months ago for which the American people will pay higher prices, in order to benefit the producers in Latin America.

Mr. ERVIN. Furthermore, do not the nations to which we loaned $19 billion during the First World War still owe us that money?

Mr. GRUENING. They do.

Mr. HUMPHREY. Mr. President, will the Senator from Alaska yield again to me?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator from Alaska yield to the Senator from Minnesota?

Mr. GRUENING. I yield.

Mr. HUMPHREY. Does the Senator from Alaska agree that most of the aid given to Cuba in connection with sugar was really given in order to be of benefit to the American sugar companies which own land in Cuba? Does not the Senator from Alaska agree that the Cuban people did not benefit much from that subsidy?

One of the reasons why the foreign aid program makes some sense is that—for the first time—schoolrooms are being built, schools are being established, teachers are being trained, mobile health units are being sent to these countries, cooperatives are being developed, and workers are being mobilized. Those are some of the things the program is doing.

One of the reasons why President Bosch, of the Dominican Republic, was thrown out of office was that some of the vested economic interests there did not like him and were dissatisfied because the U.S. foreign aid program was being of help to him. The Cuban sugar example, which has been brought to our attention, is a classic example of the kind of thing we ought not to have been doing.

Mr. ERVIN. Mr. President, will the Senator from Alaska yield, so that I may ask another question about Cuba?

Mr. GRUENING. I yield.

Mr. ERVIN. Did not those American firms, and also the Cubans who owned sugar plantations and sugar refineries in Cuba, furnish employment to Cubans there?

Mr. GRUENING. Of course they did.

Mr. ERVIN. However, although we paid from $150 million to $200 million a year, year after year, for the purpose of assisting Cuba economically, did not Castro come into power, and did not he confiscate all those sugar plantations and sugar refineries, without paying 1 cent of recompense to their owners, regardless of whether they were Americans or Cubans?

Mr. GRUENING. Yes; and that is a matter of record.

Mr. ERVIN. I thank the Senator from Alaska.

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

Mr. GRUENING. I yield.

Mr. LAUSCHE. I cannot remain silent following the statement which has been made about the Dominican Republic. The testimony clearly shows that, in particular, four things which happened caused the people of the Dominican Republic generally to revolt against Bosch:

First, when he came into office, he allowed a free return of all the Communist exiles of the Dominican Republic.

Second, as the head of the Government, he allowed quarters of the Government to be used for the teaching of the Communist technique and doctrine.

Third, he allowed the governmentally operated radio stations to be used by Communists in the dissemination of their doctrine and philosophy.

Fourth, he allowed a free outflow and inflow of Dominican Republican youth to Cuba, where they were being indoctrinated in communism.

While these things were going on, leaders in the Dominican Republic begged Bosch to discontinue what he was doing. Representatives of our State Department pointed out to him that trouble would result. But Bosch did nothing about that.

I do not believe Bosch is a Communist; but he is a sentimentalist and a romanticist, and he has no concept of reality.

It was then that the national strike was declared; and that strike was participated in by the religionists, the farmers, the businessmen, the professional men—all of whom asked for a halt of the soft-hand application to, and treatment of, the Communists. It was only then that the junta took control.

It is my belief—and I also say this to the distinguished gentleman whom I see sitting in the gallery to my right—that we had better recognize the present Government of the Dominican Republic and we had better give it aid, for unless we do, there will be Communist domination of the Dominican Republic before we have any idea that that will happen, for I think Communist control of the Government of the Dominican Republic is on the way. So this is the time for us to do what we can to stop it.

Let me ask the Senator from Minnesota whether my recitation of the facts in regard to these developments is accurate.

Mr. HUMPHREY. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I am glad to yield, to enable the Senator from Minnesota to reply to the question, although it has no relevance whatever on the subject before us, which was the interest rate on our development loans.

Mr. HUMPHREY. I shall be glad to have the Senator from Alaska state, after I give my reply, whether he believes the Senator from Ohio is correct in asking that the junta in the Dominican Republic be recognized by our Government. I shall be interested in his answer. I believe I know what it will be.

Mr. GRUENING. I disagree in toto with the Senator from Ohio.

Mr. HUMPHREY. I thank the Senator from Alaska. It is obvious that we are allies.

Mr. GRUENING. Furthermore, I think the remarks of the Senator from Minnesota, in praise of Costa Rica, are well merited. No country in the Western Hemisphere is more entitled to our aid than that little country, which is a democracy, which has no standing army; in fact, it is one of the few countries in Latin America in that category.

Mr. HUMPHREY. I thank the Senator from Alaska.

In response to the statement made by the Senator from Ohio, it is true that Juan Bosch, the President of the Dominican Republic, permitted the exiles to return there. He did that because during the Trujillo regime, hundreds of citizens of the Dominican Republic were executed or were exiled, merely because they disagreed with Trujillo, who was one of the most vicious scoundrels ever to occupy office.

Mr. GRUENING. That is true.

Mr. HUMPHREY. Furthermore, Juan Bosch acted only in line with the policy favored by the Council of State, after Trujillo had been assassinated—namely, to permit the return of the exiles.

Second, it is true that Juan Bosch is a sentimentalist. He is a fiction writer. He is a romanticist. It is possible that he was not a very good administrator. But he was honest. For example, he did not want a colonel in the Air Force to take a 15 percent "take" under the table or on top of the table on an airplane contract with the Hawker Hunter Aircraft Co.

Mr. GRUENING. Correct.

Mr. HUMPHREY. He said he would not have any part of it. He wanted honesty in Government. Furthermore, Juan Bosch had his difficulties with the church and with certain elements in the business community. But he was elected by the people by an overwhelming majority.

Mr. GRUENING. That is also true of the President of the United States.

Mr. HUMPHREY. Yes, it is true of the President of the United States; he has a little trouble occasionally with some elements in our country.

Juan Bosch was the constitutionally elected executive. The Senator from Minnesota will not rise on the floor of the Senate at any time and say that when a military coup which turns out a constitutionally elected government of men who are dedicated to the principles of democracy, the coup should be given the support of this country. To the contrary, I hope that the President of the United States will see to it that the junta and the Dominican Republic do not even get the time of day.

I am not saying that Juan Bosch was the greatest of all men. I am not saying that he was even a good President. I am merely saying that he was elected. I did not happen to think that Calvin Coolidge was a good President, but I did not believe that the military should throw him out. I did not think that Herbert Hoover was a good President; and I did not think that Dwight Eisenhower was, either. But, Mr. President, they were elected, and deserved the respect and support of the officials of their Government. They deserved the respect of the citizenry. So I suppose we have cleared that record. The recitation of alleged facts by the Senator from Ohio is one thing; the conclusion is another. The Senator has made his recitation. The point is that I do not think it adds up to "Amen."

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

Mr. GRUENING. I yield.

Mr. LAUSCHE. I merely wish to point out that the Senator from Minnesota has not dealt with my statement that the schools and the radio stations were used, and that the free inflow and outflow of youth into Cuba was affected.

Mr. HUMPHREY. I am sorry. My memory was not good enough to recollect that part of the Senator's statement. I shall now deal with that subject, if the Senator will yield.

Mr. GRUENING. I yield.

Mr. HUMPHREY. The fact is that the Communist movement was no stronger after Juan Bosch came in than it was before. The fact is that the leftists and Communists used the radio; so did the people who believe in constitutional government.

The fact is that in the United States of America, Communists speak, too. They go in and out of this country. They move around this country. Juan Bosch did not do much more in the Dominican Republic than the Government of the United States does.

I believe that Juan Bosch was too weak. I think he should have cracked down on the Communists. I would have suggested to him that he crack down if he had asked my advice. I did make the suggestion to his Ambassador, and our Ambassador made that suggestion to him. He did not follow that advice. Today he is out of office. But that does not mean that his action was an excuse for a military junta to take power.

I am proud of the fact that our President and our Government supported the duly elected Government of the Dominican Republic. I am proud of the fact that they supported the principle of constitutional government.

Mr. GRUENING. Mr. President, I should like to conclude my argument on the subject of interest rates. I appreciate the arguments of the Senator from Minnesota that those are generous actions on our part. But I do feel that the

transactions should not be called loans. While I applaud the intent of the House and the Senate Foreign Relations Committee in raising the interest rate from three-fourths of 1 percent to 2 percent, still in my view they are evading the issue, which is that the American public should not be taxed for something called a loan but which in reality is a grant in addition to a loan. It will still be doing that if we have to pay the difference between 2 percent if we loan at that rate and the 4 percent which we have to pay for the money we loan.

The gap will be smaller when the interest is 2 percent rather than three-quarters of 1 percent. But there will still be a gap. I should like to see the amendment adopted; and if the time comes when a country is so poor that it cannot pay more than three-quarters of 1 percent or 2 percent, let us frankly make it a grant and say that we want to help that country, and that it is too poor to pay us back. That is the point I wish to make. The AID agency perpetrated—perhaps not deliberately—a deception on the American people. It shifted in response to the proddings of Congress that we should not have so many grants, but make loans instead. The agency said, "We will make them loans," but they were not loans. The loans should be made at the same rate of interest that American people have to pay for their borrowing.

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

Mr. GRUENING. I yield.

Mr. DOMINICK. I appreciate the Senator's yielding. It is not often that a member of the minority party wishes to enter into a fight between Members of the majority party.

Mr. HUMPHREY. Why not?

Mr. GRUENING. Come in; the water is fine.

Mr. DOMINICK. We are enjoying the fight. I thought I might add a little fuel to the fire.

First, the amendment which the distinguished Senator from Alaska has proposed is highly sensible and logical. It strikes me that that is true for a number of reasons, the principal one being that we have been trying to sell the American people for a long time on the need to change our AID program from a grant program to a loan program. People throughout the country—in Minnesota, Colorado, Alaska, and elsewhere—are concerned. We might propose to give money to some country in Africa and perhaps it would not have to pay a nickel's worth of interest for 5 years. Then it would pay 2 percent, or whatever rate might be established, and the principal repayments can continue to come in, if it is so desired. More importantly—and this point is of great importance—under section 203, all the money that would come back would be put into a revolving fund which could be distributed by AID again without authorization and without appropriation. It does not seem to me that we have in mind a program that can logically and truthfully in the American mind be called a loan program.

All we are doing is trying to ease the symbolic reference of a grant program into something that looks as though we are getting something back.

It is also my understanding—and I should like to be corrected if I am in error on this point—that repayments are not necessarily in dollars.

Mr. HUMPHREY. Yes; they are.

Mr. DOMINICK. I may be mistaken in that statement.

Mr. HUMPHREY. They are in dollars.

Mr. DOMINICK. I stand corrected. I am glad to hear that that has been provided.

During the discussion that has taken place, which I found highly stimulating, reference was made to certain Presidents. I should like to add that some of us did not perhaps like President Roosevelt. It might be that some Republicans do not think President Kennedy is doing all he ought to do, particularly in the international field. I am glad to include myself as one of those who do not think he is doing everything he should do.

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

Mr. GRUENING. I yield.

Mr. HUMPHREY. I should like to correct the RECORD if I used the word "like," because that word relates to a personal reaction to an individual. I happen to like General Eisenhower. I am sure that I would have liked Calvin Coolidge. I merely did not agree with many of their policies.

Mr. DOMINICK. I was using the term in the same sense, and I should like to continue that way. We ought to keep in mind that a goodly number of the loans are highly speculative, even if we denominate them as loans. For example, during the debate on the Export-Import Bank bill, which would increase the authorization of the Bank, I discussed the Bank's carrying at $1, or some nominal asset in its account, a loan which was made to Brazil which it did not think there was the slightest chance of being repaid. That authorization was in a substantial amount—over $100 million, I believe.

There is also a substantial amount of money carried on the books of the Export-Import Bank for a loan that was made to China prior to the time that the Chinese Communist Government took over. There was no chance whatsoever of that money coming back.

When we make so-called loans to the underdeveloped countries, particularly in instances in which they are politically unstable, we are not really entering into transactions which anyone in this country would consider loans. That is particularly true when the loan does not provide for a reasonable interest rate. It seems to me that the very least we can do is what the distinguished Senator from Alaska is now suggesting.

Mr. GRUENING. I am glad to have the support of the Senator from Colorado. This has been a useful and stimulating discussion. I wish to see a foreign aid program, but I hope to see it improved, tightened up, and made more effective.

The various amendments which I have submitted and shall later submit have that objective. I am hopeful that the distinguished majority whip, who is a really enlightened person on all subjects, will go along with some of these efforts to improve the foreign aid bill.

Mr. President, before I yield the floor, I ask unanimous consent to add the name of the distinguished senior Senator from Connecticut [Mr. DODD] to my amendment No. 231 which is an amendment which would withhold aid from nations that wage aggressive war.

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

Mr. GRUENING. Mr. President, President Nasser is waging aggressive war in Yemen or threatening aggression against other nations, building up arms against Jordan and Israel. Sukarno seems likely to do the same, if he carries out his threat to wage war on the newly born state of Malaysia. This amendment is designed to withhold aid from those nations, and I hope it will be adopted.

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

Mr. GRUENING. I am glad to yield.

Mr. KEATING. I ask unanimous consent to be included as a cosponsor of the amendment of the Senator from Alaska.

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

Mr. KEATING. Mr. President, I desire to discuss briefly the amendment submitted by the Senator from Alaska to cut off assistance to any nation which the President determines is engaging in or preparing for aggressive military efforts directed against the United States or other aid recipients.

I commend the Senator from Alaska for submitting this amendment, which would restore to the bill the language adopted in the House. I am strongly in favor of the principle behind the amendment, which was already embodied in the Foreign Assistance Act in language which I offered last year.

That language is found in section 102 of the Foreign Assistance Act of 1961, as follows:

> It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act.

In my judgment, the language offered by the Senator from Alaska is a reasonable and unfortunately necessary step to make that language mandatory. Had the officials of the executive branch been more determined and convinced in carrying out the mandates already contained in that language, it is quite possible that we would not have the situation which today exists in the Middle East. Today, Egypt's President Nasser has thousands of troops in Yemen involved in supporting a regime which obviously does not have the support of the people of Yemen. Today, President Nasser has Egyptian airmen fighting with

Algeria in its border dispute with Morocco. These are the two most flagrant examples at the moment of aggressive Egyptian military efforts.

Mr. GRUENING. I should add that he has also just stirred up riots in Lebanon.

Mr. KEATING. That is correct. That should be added.

Moreover, while Nasser is paying his troops to fight other nations, his propaganda machines continue to blare hatred and ill will toward Israel. If this amendment will have the desired effect, if it will serve notice on dictators and other military adventurers that the United States does not intend to subsidize their efforts any longer, then the whole country will have cause to be grateful. But from long experience in working in this area, I am frankly somewhat pessimistic.

When I wrote to the Agency for International Development to inquire what specific action had been taken to implement my amendment and to enforce the provisions in the foreign aid bill discouraging aid to dictators and requiring nondiscriminatory treatment of American citizens, I received this reply from the Deputy Administrator of AID:

I want to assure you that the Agency has been alert to the interest of Congress reflected in the statement of policy in Section 102. In those instances where discrimination has been encountered, the Department and AID have taken all feasible steps to obtain their removal or modification. The provisions have been a major consideration in rendering assistance and AID has given careful attention to the administration of funds in those countries which share our view of the world crisis in accordance with the President's direction.

In his reply he was utterly silent with respect to that part of my inquiry which related to the diverting of our own economic resources to military or propaganda efforts.

Even more directly on this subject, Mr. President, when I asked the Administrator of the AID program directly whether this amendment would apply to Egypt, which I pointed out "has shown its aggressive tendencies in Yemen and in threats against Israel," Mr. Bell's answer was as follows:

Well, the Egyptian case, as you know better than most, Senator, is a very—indeed the whole Middle East situation—is a very tense and uncertain one. The philosophy of U.S. assistance to those Middle Eastern countries for the last several years has been that if we work with them to achieve some reasonable economic and social progress in those countries, we would be contributing to the possibilities of peaceful progress in the Middle East and we would be working against the possibility of additional military flareups. We've had, I think, some considerable success. We certainly haven't had uniform success in that. The action of the Egyptians in Yemen is a complicated one. As you know, there was an internal revolt in Yemen and the Egyptians have been supporting one side in that revolt and the Saudi Arabian Government has been supporting the other side. It's a tangled situation but it is certainly different from and distinguished from an outright aggression.

In other words, Mr. President, the people responsible for the AID program now do not regard Egyptian activities in Yemen as aggression. Therefore, I would fear that the view of the AID might turn out to be that this amendment would not apply to Egypt.

Perhaps it will be possible for us in the legislative history of this amendment and I think it highly desirable, to make clear that we do indeed have the Egyptian situation in mind, as well as any other situation in which military activity by one AID recipient against another serves to divert vital resources and manpower from economic development to military adventures. I would like to offer a suggestion to the Senator from Alaska with a view to strengthening the impact of the amendment, which I very much fear is still not sufficiently strong to achieve the purposes we seek. I would like to propose that the amendment be modified to include not only aggressive military efforts but also propaganda efforts as well. In other words, wherever the Senator uses the term "military efforts," I would suggest expanding this language to include "military and propaganda efforts."

This is departing somewhat from the language adopted by the House of Representatives, but I believe it would be useful, first of all, to show the very strong feeling of the Senate on this issue, and secondly, to pinpoint what has in fact been one of the main sources of tension and turmoil throughout the Middle East.

Mr. President, the propaganda put forth by Nasser's "Voice of the Arabs" program, as well as through a variety of other state-controlled media, breathes hatred, bigotry and aggression.

I asked the Library of Congress to prepare for me a report on hate propaganda in a number of nations. The parts of this report which discuss Egyptian propaganda efforts should be of particular interest, and I ask unanimous consent that they be included in the RECORD.

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

PSYCHOLOGICAL PROPAGANDA AS USED BY EGYPT

(By Thomas C. Lyons, analyst in international relations, Foreign Affairs Division, September 6, 1963)

The word "propaganda" formerly meant the dissemination of any information. Today (i.e., contemporary connotation) the word usually means a concerted effort to promote a certain doctrine, principle, and attitude through the dissemination of information. The purpose of the concerted effort may be to help or injure, create or destroy, inaction or action, and so forth.

For the purposes of this paper the term "psychological propaganda" will be substituted for "hate propaganda."

Psychological propaganda is not controlled by international covenant, by usage, by convention, or customs of war. Its battlefield is the human mind and human emotions, and the successes or failures of the battles are sometimes never known. This kind of propaganda is not a well-defined subject nor does it have an exact frame of reference. It may or may not be designed for a specific immediate action. It may have for its goal that which Orwell described in his "1984" as the doublethink; i.e., a mind holding two contradictory concepts simultaneously and accepting both of them as believable. In Orwell's words: "It is the faculty to know that deliberate lies are being told, while genuinely believing in them."

Psychological propaganda is part of war, but it is itself unlike war. Such propaganda may exist before, during, or after actual hostilities. The enemy need not be identified; he may be disguised; he may be deliberately identified wrongly. The attacked and the attacker never know one another. Defeat and success are seldom measured. The engagements have no names. It is mysterious and nightmarish insomuch as it penetrates to the depth of a man's heart or mind or soul or reasoning processes.

The function or purpose of all propaganda is to affect attitudes, emotions, beliefs, and to persuade by nonviolent means. (War would be persuasion by violent methods. Propaganda may have as its object at a given time violence, but the persuasion to use that violence is by nonviolent means.) It also has the general purpose of creating mental anguish at some future time in those who begin to doubt what they formerly believed to be the truth. The reverse may also be the case.

The study of psychological propaganda may be purely scientific or purely moral or a combination of both. Regardless, the scientist (e.g., psychologist) and moralist (e.g., theologian) may come to the same conclusion: Such propaganda fosters terror, hate, suspicion, and destroys the human impulse to act rationally. One other significant point to be made is that propaganda touches any human who can read and/or hear his own language. In this respect it touches not only the camel driver but the writers and politicians who must make rational choices between meaningful concepts. It can unknowingly create cowardice and prejudice in the minds of teachers and those in decision-making bodies. Even the most educated may have their minds emasculated.

* * * * *

Egypt has used this kind of propaganda successfully, for a number of years, employing the most refined propaganda techniques. Most newly independent nations could not afford the time, money, or national effort necessary to carry on such a program on a scale approaching, let us say, Egypt. Indeed, few countries today use propaganda to the extent of the Egyptian Government.

Of course psychological propaganda is not restricted to the countries mentioned in this paper. Indeed, two other countries (in addition to the United States and U.S.S.R.) may even exceed the use of this kind of persuasion by Egypt; China and East Germany. The Chinese propaganda, to its own people and the peoples of the Far East and southeast Asia, is well known and well documented.[1] Less well known is the propaganda from Communist East Germany, which has used the theme "hate" in radio programing from rock 'n roll music to classic literature. Sometimes the hatred theme (praise of communism; contempt for communism's enemies) is subtle; sometimes it is blatant and open. Since 1960 the radio and press of East Germany has shown Nazi-like propaganda by adulation of the party and raging hatred of the West. Even old Nazi marches have been used repeatedly by the East Germans as recently as 1963. The New York Times reported on September 29, 1961 the following words of a song from a September broadcast from Communist Germany: "Hatred, scream it into every home * * * carry it into quiet streets * * * teach the flowers to hate * * * take revenge."

EGYPT (UNITED ARAB REPUBLIC)

The U.S.S.R., China, and the United States aside, the United Arab Republic (hereafter

[1] Alex S. Edelstein and Alan Ping-lin-Liu, "Anti-Americanism in Red China's People's Daily," Journalism Quarterly, spring 1963, pp. 187–195.

referred to as Egypt) probably has the most elaborate network of radio and press propaganda in the world. This is all the more interesting in light of the fact that propaganda by and to the Arabs themselves was negligible before 1952. Prior to that time (the military coup of July 1952 in Egypt) Arab radio stations and newspapers were cercerned primarily with entertainment, sports, news, and music.

The new group in Cairo after 1952 saw the potentialities of controlling the means of propaganda, and as a result, huge portions of the country's money, talent, and efforts were given to strengthening the instruments of propaganda. Today, radio is an outstanding part of the Arab's social and political life. (Parenthetically, it should be noted that in the Middle East today, almost every Arab owns or has available, a radio. Transistors and battery-operated radios are prevalent, and can be seen on farms, hanging from the back on a donkey, in mud huts along the river, and in the pocket of camel boys. In a word, the spoken word, unlike the written word, is available to almost every Arab, no matter how poor.)

According to A. Loya (writing in Middle Eastern Affairs, April 1962), the Egyptian revolutionary government's propaganda has passed through the following three phases.

Phase 1

During the first phase (which lasted roughly from July 1952 to November 1954), the government concentrated almost entirely on its internal position. The goal obviously was to solidify and/or build a strong position which is needed for a military revolution to succeed. The country's and therefore the people's enemy was "poverty, ignorance and disease." Of course, the existence of poverty, ignorance and disease was linked to the Farouk government, and the absence of suffering would in the future be linked to the new military government. Words like "glory," "dignity," and "prosperity" were linked to the new government continuously. Words and phrases such as "scum", "traitors," and "plague of the earth" were attached to the King and the Muhammad Ali dynasty.[2]

There was also during this time a complete absence of talk about Arab unity. Whatever unity talk appeared, it always referred to the union of Egypt and Sudan.

Phase 2

Sometime between 1952 and 1954 the Egyptian leaders came to the obvious conclusion that they were not solving the problems of Egypt. In a rather sudden move, the government decided that Arab unity should be the issue, and as a result of this decision, launched an immense campaign of psychological propaganda of both an internal and external nature. (This phase lasted until 1961, when Syria left the United Arab Republic).

Mr. Loya contends that the Egyptians learned well from the Nazis, and obviously had done their homework for Professors Hitler and Goebbels.[3] For example, he states, they (1) have relied more on the spoken than the written word, and (2) there is a tendency to disregard the truth.

The main theme of the second phase was that under Nasser's leadership, the Arab countries united could rebuild "the glorious past." Plays, concerts, operas, songs, day and night, lavished praise on the glories of he who would lead the Arabs in unity to the promised land: Nasser.

According to Loya, closely attached to this theme of developing a god-like image of Nasser was the theme of hate.[4] The Egyptians were taught, asked, told to hate foreigners, Jews, and Arab leaders who opposed unity. The object of the propaganda was to identify the enemy with hatred, and to shower devotion on Nasser.

Nasser became omnipotent and infallible. He had thrown the British out of Egypt; had won the battle in the Suez War; had maneuvered the revolution; could not lose.

There was also the concept to terror. Terrifying stories and terms were used in describing events in broadcasts. For example, "dangling corpses," "blood and agony," etc. King Hussein of Jordan received messages over Cairo radio telling him of the horrible fate that awaited him if he did not abdicate.[5]

"Lies were resorted to whenever needed."[6] Indeed, entire events were fabricated to suit a particular purpose. In a word then, Egyptian propaganda was presenting to the Arab world their view of Egyptian history, the history of the Arab world, Arab personalities, daily events in the world.

Phase 3

This phase, of course, can hardly be written. Obviously the goal of Arab unity is still the same.

The following is a summary of psychological propaganda in Egypt since 1958.

In 1958

Cairo government initiated the Voice of Free Africa, which broadcast violent anti-Western propaganda. The broadcasts exhorted the Africans to drive from their lands the "white dogs" of the Western oppressors. The United States was called the banker of the sterling bloc countries, and therefore Africa's "second colonial master."

The establishment of the Voice was preceded by 2 years of modest, similar broadcasts (unidentified) from Cairo. In January of 1958 the government identified itself with the new Voice. The first broadcasts were spoken in Swahili, Amharic, Arabic, French, and English. Later most of the prominent African languages were added, in addition to Hebrew.

At about the same time, Nasser inaugurated a new propaganda tool, the magazine African Renaissance, a periodical dedicated to the creation of hate for the white masters. In both the press and the radio, the French and English were continually referred to as white dogs who had smeared dirt on the African peoples. The Voice of Free Algeria was also used to give support to the Algerian Nationalist rebels.

By the middle of the year, Egypt had 11 transmitters in operation and at least 12 more (from Czechoslovakia) being readied for operation. The main transmitter in Cairo was a $750,000 gift from Moscow.

Although the broadcasts vary for country to country, the words are basically the same; viz, "white dogs, imperialists, bloodsuckers and colonial oppressors."[7] The Voice of the Arabs, broadcast out of Cairo, was (in 1958) on the air from 6:30 in the morning until 1:15 the next morning, every day in the week. Sample comment (New York Times, July 6, 1958): "Let us teach the Americans we do not need their tainted dollars nor do we require their conditioned aid. No, America, you shall not come to the Middle East. We shall fight against you with all our resources, with our hands, our feet, our teeth, but we will not allow you to establish your Zionist-controlled influence in our Middle East."

By the end of 1958, Egyptian broadcasts were also beamed to Europe, Israel, and almost every country in Africa, many of which were in the predominant dialect.

According to the London Times the broadcasts were so inflammatory in 1958, that President Eisenhower proposed that the United Nations monitor these broadcasts on the grounds that they were a threat to the peace and security of the Middle East.[8] For example, Cairo radio told the Lebanese people that their President (Chamoun) would drown in a bath of blood because of his treatment of his own people. The Lebanese people were asked to take up arms, use violence, disorder and revolt, and finally to tear their leaders to pieces.

Such broadcasts were daily occurrences and usually ended with, "At your service, O Abdel Nasser."[9]

Jordan did not escape from its share of psychological propaganda. Again the people were asked to revolt and rise up and kill their king, "the truth of the end of every tyrant, of every traitor."

Syrians were told that Charles Malik was an agent of the CIA who paid him $200,000.

Israel was told that their country would eventually become an American colony; that Israel was militarily weak compared to the Arabs because the Arabs received huge shipments of arms from America.[10]

In 1959

The kind of propaganda used in 1957 and 1958 by the Cairo government was continued in 1959. By the middle of 1959, Cairo who had been doing its major broadcasting from two 100-kilowatt transmitters, started operating a new 300-kilowatt transmitter. The Government announced that they would step up their broadcasts as well as establish additional languages. It was assumed that in 1959 the Egyptians had the most powerful broadcasting services in the Middle East.

In 1961

Radio Cairo was perhaps more violent in 1961 than in 1958 and 1959. William S. Ellis (Harper's magazine, June 1961) wrote that the "Voice of the Arabs" had started riots, had encouraged the overthrow of any number of governments, inspired sabotage, and "convinced millions that the Bagdad Pact is an intolerable instrument of Western imperialism."

On August 26, 1960 (Ellis reports), Cairo radio urged the Jordanians to "kill Majali and drag his body through the streets." Three days later, Hazzaa Majali, Hussein's Prime Minister, was killed by assassination.

Cairo radio beamed its programs especially toward the Arabs and the Africans in 1961. Day after day Hussein was accused of being an agent of Israel who was paid by the United States. (He was often referred to as "King Mickey Mouse.") By 1961 the broadcasts from Egypt were in 15 languages plus numerous dialects.

Singled out especially by Cairo radio in 1960–61 was the Shah of Iran (for having 10 years previously recognized, de facto, the State of Israel); King Ibn Saud of Saudi Arabia; Tunisian President Habib Bourguiba (who was planning in unison with America to take over the Arab homeland). The French were still "dogs," and the English were still "pigs," in almost every broadcast.

In 1963

It has been said that by way of psychological propaganda, the Nasser government has since 1957–57: inspired a revolution in Yemen, followed by Syria and Iraq; immense pressure has been brought to bear by way of press and radio on the peoples and leaders of Jordan and Saudi Arabia. There is a move on for a five-nation military bloc (Egypt, Syria, Iraq, Algeria, and Yemen) which undoubtedly would be used to bring further pressure on Jordan and Saudi Arabia.[11] That psychological propaganda is a major part of Egyptian policy cannot be denied.

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[2] Loya, p. 102.
[3] Ibid., pp. 104–105.
[4] Ibid., p. 105.
[5] Loya, p. 107.
[6] Loya, p. 107.
[7] New York Times, July 6, 1958.
[8] Aug. 15, 1958.
[9] Ibid.
[10] Ibid.
[11] Ellis, pp. 54 and 58.

Mr. KEATING. Mr. President, the report points out that "few countries today use propaganda to the extent of the Egyptian Government." In fact, the report points out that:

> The U.S.S.R., Red China, and the United States aside, Egypt probably has the most elaborate network of radio and press propaganda in the world.

All this propaganda, in fact, originated in 1952 with the Nasser regime. According to experts in the field, Egyptians have learned their propaganda techniques from the Nazis, from Hitler and Goebbels.

Despite what some officials profess to consider a new warmth in Nasser's relations to the United States, studies of Egyptian propaganda reveal no love, nor certainly any understanding nor sympathy with the objectives of the United States. The main theme of Nasser's propaganda is to develop a godlike image of Nasser and to teach the Egyptians to hate foreigners, Jews, Israel, and other Arab leaders who oppose Nasser.

Mr. GRUENING. Including Americans.

Mr. KEATING. Including Americans; and there is much anti-American propaganda over the "Voice of the Arabs."

Members of the Senate should read, as I have, what is said on the "Voice of the Arabs" against Members of Congress and prominent figures in the United States, of both parties, generally.

Not only in the Middle East, but throughout Africa, Nasser's broadcasts beam hatred and advocate violence. Despite American assistance, Nasser preaches hatred of the United States. The main transmitters that convey this message were a gift from Moscow.

Moreover, Mr. President, as the Senator from Alaska has himself amply documented, one of the projects in the U.S. program for Egypt is assistance in the development and operation of a Telecommunications Research Institute. The purpose is to make Egyptian technicians even more skillful in their work, even though it should be obvious that a substantial portion of that work is directly contrary to the interests of the United States and other nations in the Middle East and Africa.

For that reason, Mr. President, I would strongly urge the Senator to modify his amendment to include not only the military efforts, but also the propaganda efforts which, as this Library of Congress report documents, and as he himself is well aware, play a significant role in reducing the possibility of a peaceful settlement of the Middle Eastern issues.

Mr. President, in my view nothing does more harm over the long run than excessive hate propaganda. It teaches the younger generation to hate a supposed foe that they do not even know. It poisons the air and makes it impossible for any more constructive-minded leader to attempt a conciliatory policy or a policy of negotiation to settle outstanding issues. Even more, perhaps, than the weapons Nasser has purchased from the Soviet Union, the propaganda from his Soviet and U.S. assisted media are a critical factor in the continuing tensions in the Middle East area. Not since President Eisenhower called for a U.N. monitoring of propaganda broadcasts in 1958 has the United States officially indicated its concern and opposition over this kind of activity. Yet, every year new converts are sought to the doctrines of racism and hatred that Nasser has adopted. Every year, other governments in the Middle East must combat the tensions and aggressions stimulated by this broadcasting. Before it is too late, Mr. President, the Senate of the United States should make its position clear in condemning the poisonous words of war and hatred that Nasser continues to spew forth, subsidized by the taxpayers of the United States of America.

I would appreciate it if the Senator from Alaska could see his way clear to a modification of the amendment in the manner in which I have indicated.

Mr. GRUENING. Mr. President, I would be very happy to have the amendment modified in the sense the Senator from New York suggests. I favor his purpose. I think the amendment could not be made too strong. But, for certain practical considerations, I do not think I should. In the first place, the language of my amendment is identical with the language of the House bill. It is quite an achievement to obtain collaboration without collusion between the two Houses, and have two minds with but a single thought. My experience has been that frequently a very desirable amendment is adopted by one body. When the amendment goes to conference, representatives of AID or the State Department say it will ruin the program, that it should not be adopted, and the amendment is lost. This is a case in which we have taken a rather important step forward, and I think we should try to have the proposal adopted, rather than lose the whole battle.

I have no objection to the purpose of the suggestion. Indeed, I am wholeheartedly for it. My only objection is to the practicality of achieving the purpose. When we get into the matter of propaganda, we are touching on freedom of speech. Propaganda can be subtle. I believe that if we have difficulty—as the Senator from New York anticipates—in persuading the AID agency that Nasser is an aggressor—which is so obvious that it does not need reiterating—it will be much more difficult to define his verbal attacks as aggression, even though when there are broadcasts in which Nasser preaches destruction and hate of Lebanon, Jordan, Israel, and others, which go beyond the legitimate bounds of free speech. If we attempt to make radio propaganda a justification for barring aid to a country, we are going to run into more difficult problems of interpretation than we have encountered in the matter of direct aggression.

So far as Nasser's invasion of the Yemen is concerned, the New York Times of today, under the headline "U.N. To Withdraw Mission in Yemen," points out that Mr. U Thant made a report. It is stated in the article that Saudi Arabia has complied with its commitment to withdraw aid to its side in Yemen, whereas Nasser still keeps his troops there. In other words, Nasser has broken his pledge to withdraw his troops.

Mistakenly, the United States recognized the Yemen Government as an act of appeasement toward Nasser. It was a very unfortunate action on our part. The British did not follow. They are much closer to the situation there than we are. There may be a relation between that situation and their recognition of the military junta in the Dominican Republic. They are probably saying, "You have interferred over there where our interests are greater than yours. We are not going to play ball with you in the Caribbean." That is conjecture on my part. I may be in error.

I should like to have the antiagression amendment strengthened, but I fear very much that, if it is strengthened, it may be lost. I would like to have half a loaf this time, and make sure it is not lost.

Mr. KEATING. I cannot disagree with the Senator's reasoning. I have every expectation that this amendment would be adopted in the Senate. If there were any doubt in my mind about it, I think it would be well not to offer it. It is already in the House bill and will be in conference. I think the Senate would adopt the amendment, and should do so.

The Senator has made it very clear that he disagrees, as do I, with the interpretation that this does not have anything to do with the actions of Egypt in Yemen, and does not apply to Egypt. I do not know how we are going to make our intentions clear to the officials of the State Department and the AID Agency. After all, we have in the law now a sense-of-Congress resolution which is substantially like this amendment. This proposal is stronger. It provides that no assistance shall be provided to any country which the President determines is engaging in or preparing to adopt aggressive military efforts.

I have the feeling that if this amendment is adopted and becomes law, and if even then we cannot get AID or the State Department to do anything about it, we must press for an out-and-out cutoff of aid by name to countries that we in Congress know are engaging in aggressive activities.

Mr. GRUENING. I agree with what the Senator has said. It is customary, as a matter of courtesy and comity, to include language in the amendment which enables the President, in his judgment, if the national security is involved, to set aside the will of the Congress. Unfortunately, as a practical matter, it would not be the President who would make such a decision.

Mr. KEATING. That is correct.

Mr. GRUENING. It would be the same subordinate official who has gotten us into the mess in the first place. I hope that on the next occasion Congress will take that into consideration. We should definitely not give aid to countries which in the judgment of Congress are aggressors. There is no question that Nasser is an aggressor on several counts. He is definitely an aggressor in Yemen. He has been an aggressor all through the

Middle East. He has never ceased to announce that he intends to destroy Israel. He is building up his arms. He preaches assassination, not yesterday or 2 years ago, but now, over his Cairo radio, to which we, unfortunately, contributed our dollars. It is a shocking and disgraceful situation. I hope it will become so patently shocking and disgraceful that the amendment will have the result we hope it will have.

Mr. KEATING. I should like to have the Senator's view, because I believe it is very important from the standpoint of legislative history. Does he believe that the amendment is an important part of what we expect in the administration of the act? Does not the Senator agree directed toward aggression, or talking that if the propaganda broadcasts are about and building up a case for aggression; that is, engaging in or preparing for aggressive military effort?

Mr. GRUENING. Certainly. Hitler did that in the days before he invaded neighboring countries. Before his invasions, he always loosed a barrage of hatred and denunciation. Nasser is pursuing such tactics.

Mr. KEATING. His propagandists are Nazi trained.

Mr. GRUENING. He has among his forces a very substantial number of ex-Nazis, who would have been arrested and jailed if they had remained in Germany.

They are working for him. I placed a list of them in the RECORD yesterday.

Mr. KEATING. I thank the Senator. I am glad he agrees that we in Congress, if the amendment is adopted, will expect to have propaganda activities taken into consideration in the interpretation of the words "engaging in or preparing for aggressive military effort."

Mr. GRUENING. I share that hope. In addition to the fact that we are, in effect, financing Nasser's war ventures, we are causing other nations, which he threatens, to feel that it is necessary for them to increase their military expenditures. All of that is a further drain on their inadequate resources, and is a misuse of our taxpayers' money as a part of the aid program.

Mr. KEATING. I thank the Senator.

Mr. MANSFIELD. Mr. President, have the yeas and nays been ordered on the Javits amendments?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. JAVITS. I merely wish to identify myself with the merits of the amendment of the Senator from Alaska, which has been the subject of a colloquy between my colleague from New York [Mr. KEATING] and the Senator from Alaska, as underlining the fact that I consider it to be an amendment of importance.

My amendments, which are before the Senate, are acceptable to the Senator in charge of the bill. I hope it will be understood that at the request of the Senator from Oregon [Mr. MORSE] there is to be a yea-and-nay vote.

Mr. AIKEN. Mr. President, any amendment which is submitted to the Senate with a blackjack attached to it is not acceptable to me. I will vote against it for that reason. That applies to every other amendment that comes before the Senate under a blackjack rule. It is time for us to get on with the business before the Senate, and not become involved in exercises which unnecessarily prolong orderly Senate procedure.

Mr. JAVITS. These are highly desirable amendments. I hope very much that the Senator will understand my position, and that a yea-and-nay vote is being had through no fault of mine.

Mr. AIKEN. A Senator should have the right to say whether he wishes a yea-and-nay vote on an amendment. While the amendment is acceptable to me as an amendment, it is not acceptable to me under the conditions under which it is presented.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments offered by the Senator from New York [Mr. JAVITS] to the committee amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Indiana [Mr. HARTKE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. METCALF], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], the Senator from Tennessee [Mr. WALTERS], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Indiana [Mr. HARTKE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Nebraska [Mr. HRUSKA], the Senator from New Mexico [Mr. MECHEM], and the Senator from Iowa [Mr. MILLER] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA], the Senator from New Mexico [Mr. MECHEM], the Senator from Iowa [Mr. MILLER], the Senator from Kentucky [Mr. MORTON], and the Senator from South Dakota [Mr. MUNDT] would each vote "yea."

The result was announced—yeas 66, nays 5, as follows:

[No. 200 Leg.]

YEAS—66

Allott	Gruening	Morse
Bayh	Hart	Moss
Beall	Hayden	Muskie
Bennett	Hickenlooper	Nelson
Boggs	Hill	Neuberger
Brewster	Holland	Pastore
Burdick	Humphrey	Pearson
Byrd, W. Va.	Inouye	Pell
Carlson	Jackson	Prouty
Case	Javits	Proxmire
Clark	Jordan, N.C.	Randolph
Cotton	Jordan, Idaho	Ribicoff
Curtis	Keating	Saltonstall
Dirksen	Kennedy	Scott
Dodd	Kuchel	Simpson
Dominick	Long, Mo.	Smith
Douglas	McCarthy	Sparkman
Edmondson	McGee	Symington
Ervin	McGovern	Talmadge
Fong	McIntyre	Tower
Fulbright	McNamara	Williams, Del.
Goldwater	Monroney	Young, Ohio

NAYS—5

Aiken	Johnston	Thurmond
Gore	Mansfield	

NOT VOTING—29

Anderson	Hartke	Mundt
Bartlett	Hruska	Robertson
Bible	Lausche	Russell
Byrd, Va.	Long, La.	Smathers
Cannon	Magnuson	Stennis
Church	McClellan	Walters
Cooper	Mechem	Williams, N.J.
Eastland	Metcalf	Yarborough
Ellender	Miller	Young, N. Dak.
Engle	Morton	

So Mr. JAVITS' amendments to the committee amendment were agreed to.

Mr. JAVITS. Mr. President, I move the vote by which the amendments to the committee amendment were agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, on behalf of myself, the distinguished minority leader [Mr. DIRKSEN], the chairman of the Foreign Relations Committee [Mr. FULBRIGHT], the ranking minority member of the committee [Mr. HICKENLOOPER], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Vermont [Mr. AIKEN], I submit, to the committee amendment, the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 31, in line 18 after "Sec. 102", it is proposed to insert "(a)".

On page 32, after line 5, insert the following:

(b) Sec. 202 of the Foreign Assistance Act of 1961, as amended, is amended by striking out "for each of the next four succeeding fiscal years," and inserting "for the fiscal year 1963, $975,000,000 for the fiscal year 1964, and $1,500,000,000 for each of the next two succeeding fiscal years,

On page 38, strike out lines 3 through 12 and insert:

(1) Strike out "for use beginning in each of the fiscal years 1963 through 1966, not to exceed $600,000,000 for each such fiscal year"

and insert "for use beginning in the fiscal year 1963 not to exceed $600,000,000, for use beginning in the fiscal year 1964 not to exceed $525,000,000, and for use beginning in each of the fiscal years 1965 and 1966 not to exceed $600,000,000.

On page 38, line 13, strike out "(3)" and insert "(2)".

On page 40, lines 9 and 10 strike out "'$300,000,000' and" and "and '$175,000,000', respectively".

On page 40, line 23, strike out "$1,300,000,000" and insert "$1,000,000,000".

On page 42, between lines 11 and 12 insert the following:

(b) Section 611(a), which relates to completion of plans and cost estimates, is amended by inserting before the semicolon at the end of subparagraph (1) a comma and the following: "and, in any case in which such estimate of cost exceeds $500,000, until such estimate of cost and the feasibility of the project have been approved by the Corps of Engineers, United States Army, or by a reputable United States private firm of engineers".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these amendments to the committee amendment be considered en bloc.

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

Mr. MANSFIELD. And I ask that the clerk state the list of names of the sponsors of these amendments to the committee amendment.

The PRESIDING OFFICER. The names of the sponsors of the amendments to the committee amendment will be stated.

The LEGISLATIVE CLERK. The amendments to the committee amendment are submitted by Mr. MANSFIELD, on behalf of himself, Mr. DIRKSEN, Mr. FULBRIGHT, Mr. HICKENLOOPER, Mr. SPARKMAN, and Mr. AIKEN.

Mr. MANSFIELD. Mr. President, I have listened with interest and appreciation to the expressions of the Senator from Oregon [Mr. MORSE], the Senator from Alaska [Mr. GRUENING], the Senator from Louisiana [Mr. ELLENDER], and other Senators with respect to the foreign aid bill. Their analyses of the shortcomings of the aid program are most thoughtful. Their concerns are most understandable. I am sure that many are shared by some, if not most, of the other Members of this body.

Distortions, wastes, and other inadequacies have existed for many years in the foreign aid program. But we may well ask ourselves what governmental undertaking of this magnitude, particularly an undertaking in so alien and ambiguous a field as foreign aid, would not have its share of inadequacies? President Kennedy is doing his best, even as his predecessor, President Eisenhower, did his best, to make improvements in this situation. Both Houses of the Congress have tried to help, year in and year out, to remedy the difficulties.

And may I say, Mr. President, that in these efforts the distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT] has done more than his share. Year after year, he has presided over weeks of hearings and markups of aid authorizations. His has been a most taxing and frustrating responsibility. He has borne it, not for himself, not for the administration, but for the Senate, and for the Nation as a whole; and he has borne it with remarkable patience and fortitude. It is most unfortunate that the nature of the assignment consigns to him a public role of whipping boy in a situation over which his influence and, indeed, the Senate's influence are limited. It is understandable, if unfortunate, that there is little public comprehension of his difficult responsibility. But it is inadmissible that other Members of this body would not appreciate the efforts of the distinguished chairman of the committee to do the best that he is able to do or the best that anyone else would be able to do with this program, on behalf of what is right and best for the Nation. I think the Senate owes him, not criticism, but a great debt of gratitude for attempting to deal responsibly and intelligently with a problem which is of the highest national significance. I personally want to express, both to him and to the distinguished ranking minority member of the Committee on Foreign Relations [Mr. HICKENLOOPER] and to all other members of the committee, my profound thanks for what they do and what they bear in this connection. They have worked closely, year in and year out, on this onerous task, with a patriotic dedication and a high sense of national responsibility which go far beyond any narrow considerations of partisanship or popularity.

Yet these Senators and, indeed, all the other members of the Foreign Relations Committee, would agree that there is no certainty that the bill which has been brought to the floor of the Senate by the committee is perfectly attuned to the Nation's capacity or needs. Much in this bill, as it now stands, represents only a best judgment, not a certainty. Most assuredly, that would apply to the total amount which the bill authorizes for foreign aid. The chairman and the ranking minority member of the Foreign Relations Committee have far too much integrity and far too much good sense to say that $4.2 billion is exactly right, that the amount should not be a few million dollars more or a few million dollars less. Indeed, what Member of this body would have the temerity to say with certainty that what we authorize for defense construction is exactly right in terms of the national security? That it should not be a billion dollars more or a billion dollars less? What undertaking—domestic or foreign—involving authorizations of expenditures of public funds can be predicted to the precise dollar? In every instance, in every significant piece of legislation involving expenditures, amounts are invariably a matter of judgment.

The President, in making his request for a foreign aid authorization is, himself, giving us only his best estimate of need. In a world as complex and unstable as the one in which we live, the President cannot predict with certainty what is likely to ensue in the period during which the funds are to be expended. He does not know with certainty what sudden internal political upheavals may transpire or where, what international crisis may loom or its extent, what opportunities may present themselves or how, what natural disasters may occur or when.

In short, none of us—neither President nor House nor Senate nor any Member of either body—can claim a high degree of certitude in insisting upon the precise amount of dollars which is most appropriate for each of the widely divergent yet integrated national purposes which are served by the aid program.

That is a reality, and there is another. When one examines the amendments which have been offered, when one listens to the statements which have already been made on the floor of the Senate, there is evidence of a widespread sentiment in this body, that, overall, the President has been much too conservative and the Foreign Relations Committee too conservative, in estimating the needs of national security as they are met through the provision of aid abroad. And from another angle, they have been—the President and the committee—too liberal in estimating what the people of the Nation are prepared to put forth in the way of monetary sacrifice to support this aspect of national security and national interest.

Individual Members may have different ideas as to where this excessive conservatism or liberalism of the President and the committee may express itself in the various categories of aid. Some may find it in military aid. Others may find it in supporting assistance or contingency aid. And some may find it everywhere in this bill. Indeed, some would seek to cut the total authorization deeply or to excise it entirely. Others are not quite so sanguine and would cut more moderately and selectively. But no matter how this bill would be cut or sliced by the various amendments, it is apparent to the leadership on both sides that some reduction in the total authorization for foreign aid is the preponderant sentiment of this body. It is the further judgment of the leadership on both sides, however, that the preponderant sentiment on both sides is that these reductions should not be so drastic and precipitous as to jeopardize, if not destroy, one of the principal bases upon which the security and international welfare of the Nation has rested for a decade and a half. Take a moderate risk by a reasonable cut in the hopes of alleviating the burden of aid on the people of the United States—yes. Take an intolerable risk with the security of the Nation in the guise of benefiting the taxpayer by a drastic cut in the program—no.

A whole series of amendments have been introduced proposing cuts of varying depths in various categories of aid. I am sure, however, that the authors of these amendments would be the first to admit that they cannot affirm that the amount which they propose to cut in each instance and in each category is precisely tailored to the national interest. There is, with all due respect, at least as much subjectivity in these individual judgments as there is in the majority judgment of a committee of 17 members which has labored for weeks, item by item, on this bill. Indeed, the various cuts proposed by amendment may

be too little or too much. They are, at best, best judgments which are to be respected precisely because they are only judgments and are not propounded as certainties.

It was with these thoughts in mind that I met with the distinguished minority leader with the full participation of both the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT] and the able ranking minority member of that committee, the Senator from Iowa [Mr. HICKENLOOPER]. We discussed this matter at length and reached the conclusion that—in our judgment—and I stress, too, that this is but a judgment no more certain than any other—that the best approach to the problem which confronts the Senate at this time is not to discard in piecemeal fashion the historic experience of years, the months of careful consideration of this particular measure by the administration, as modified by weeks of careful work by the members of the Foreign Relations Committee who have gone to great lengths in hearings and study and deliberation to put together a formula for the division of authorization as among the various categories of aid. Yet at the same time, it is also our judgment that the sentiment which exists in this body for general reduction in the aid authorization can be ignored only at the risk of random, disjointed, and haphazard reductions of unknown depth and, with them, unknown and uncertain dangers to the Nation.

In these circumstances, Mr. President, it is the judgment of the leadership of both sides and the chairman and ranking minority member of the Foreign Relations Committee that the best safeguard of the Nation's security in present circumstances would be for us to sponsor a reasonable reduction in the overall total of the authorization and distribute that reduction reasonably in categories of aid best able to sustain it.

It is this judgment, Mr. President, which is expressed in the amendment which I now introduce for myself and for the distinguished minority leader [Mr. DIRKSEN]. It provides for an overall reduction of $385 million in the committee proposed authorization of $4.2 billion by reducing the following categories of assistance: Development loans, $85 million; Alliance for Progress, $125 million; military assistance, $300 million; while increasing the President's contingency $125 million to the $300 million figure which the President requested.

It goes without saying, Mr. President, that this amendment does not foreclose any other which may be offered. But it would be our hope that Senators on both sides of the aisle will join with us in what we believe to be the most effective and most expeditious manner of bringing about a reasonable reduction in the aid-burdens which the people of the Nation sustain without, at the same time, denying to the President and the committee that essential support of the Senate in their highly informed judgment of what is essential to safeguard the security and other international interests of the Nation.

Mr. DIRKSEN. Mr. President, there is what I am pleased to term a hidden issue in the bill which is not expressed in its text. That is the annual and somewhat fractious problem that we encounter between the House and the Senate when it comes to considering not only the foreign aid authorization bill, but the foreign aid appropriation bill, which is required to implement it.

I have seen this process in operation for a number of years. I believe it grows somewhat in spirit and intensity. It is not a particularly happy commentary upon our legislative liaison.

I have been wrestling with the huge 1,700-page report of hearings of the House of Representatives. There are 33 members on the House Foreign Affairs Committee. They devoted 32 days to hearings on the bill. At long last they sent us a bill which in the aggregate would authorize roughly $3.5 billion in foreign assistance.

On the other hand, the Senate spent 9 days on the bill. The transcript of the hearings is before each Senator.

The printed record is approximately 700 pages in length. The Foreign Relations Committee restored the difference between $3.5 billion and $4.2 billion, or roughly $700 million.

That will not be the last action, because the bill must go to conference. After the conference an appropriation bill will be introduced. I believe that the averages for the past 4 or 5 years will show that the authorizations have been cut on the average by $200 million below the original budget request, and that the appropriation—at least for the last 4 years—has been cut by about $1 billion for each year.

Now a comparable situation is staring us in the face. Frankly, Mr. President, I found some difficulty actually spelling out a pattern of getting my teeth into the bill. There is no great wonderment in me about all the amendments that have been offered. I had quite a time, late last night and early this morning, going over the sheaf of 38 amendments dealing with a complete rewriting of the bill, as suggested by the distinguished Senator from Oregon [Mr. MORSE].

There are amendments dealing with money reductions. There are the country-by-country amendments. There is an amendment to deny aid to any country in arrears in paying its assessments to the United Nations. There are amendments dealing with communism. There is an amendment to provide that unless there is a show of self-help by a country it will lose its entitlement to aid. There is at least one amendment dealing with governments, which were freely and democratically elected, but deposed by a junta or by force. There are some amendments dealing with evaluations of programs. There are amendments dealing with administration, with interest rates, with military assistance to Latin America, with college contracts, with import duties, with aggression, and with and other subjects.

So this becomes a rather bewildering picture for me. For some days, at least, I had hoped there could be a package reduction in the funds in the bill reported by the Committee on Foreign Relations, perhaps adding at least one substantive amendment that might bring some comfort to the Senate as well as to the country. The amendments provide, roughly for $400 million in reductions below the figure reported by the committee.

There is one other amendment that was offered—I say modestly—at my suggestion. I have been laboring on the foreign aid bill for some time. I still have not lost my sense of dismay about the difficulties that develop in the field either because a project in the first instance was not feasible or because there was no good engineering followup or for other reasons it should never have been undertaken.

So I made the suggestion that no project over $500,000 in original estimated cost should be undertaken unless the Army Engineers, or reputable private engineers, pass upon the feasibility of the project.

Last year, I explored one in Peru, where they insisted on going ahead with an irrigation project only to discover, when they got through, that there was no water. How it is possible to operate an irrigation project without water is more than I can understand. There has been all too much of that. I believe the country is entitled to comfort, and I believe Congress is entitled to some assurance with respect to the feasibility of projects that may be undertaken, say, in a jungle 12,000 miles from home.

This package amendment calls for $385 million in reductions below the foreign aid authorization in the committee amendment in various categories, plus the one substantive amendment to call for a feasibility test by the Army Engineers or other reputable engineers working in the international field.

I hope, therefore, that the proposal will commend itself to the Senate and that in large part it will satisfy the concern and dismay necessarily reflected by the 38 or 40 amendments which have already been submitted with respect to this bill.

Mr. President, I yield the floor.

Mr. FULBRIGHT. Mr. President, I do not know that there is much to add. Both the majority and minority leaders have described the situation very well. I should like to add the one thought, that many of the criticisms of the program which we have heard for many years are well founded; but, on the other hand, this program has, I believe, under the previous administration, as well as the present administration, achieved a great deal when we consider the state of the free world 15 years ago. When we consider the size of the program, it is not surprising that there were mistakes. I believe it has achieved a great deal, but as I said in my opening remarks, I believe the pattern of the program needs to be reevaluated.

I hope the administration will take seriously the suggestion concerning military aid, for example, which over the years has consisted of 50 percent or more of the total. Some years it has been as high as two-thirds. This was recommended by the military. It should have been considered in all respects the same as the military budget.

It is surprising with what great ease a military appropriation of $47 billion

passes this body without the slightest criticism, although we all know there have been vast mistakes made in that field. Many billions of dollars have been wasted on experiments which did not succeed. We read about them daily, and yet the military program is accepted without any particular criticism.

Many of the mistakes that have arisen under the foreign aid program were also in the military field. Many of the GAO reports critical of the program related to the military field, but for some reason or other, because it was associated with foreign aid, it seemed to be in a different category.

All I am saying is that the mistakes made under the aegis of this program have been greatly exaggerated compared with mistakes made under other programs.

We need not go abroad to find mistakes. Many Senators have pointed out a mistake made right under our noses, the building of the relatively simple subway between the Senate side of the Capitol and the New Senate Office Building, with the best engineering advice and reputable engineering companies, and so forth, at the command of the Architect of the Capitol. Yet mistakes were made and money was wasted.

So, when we are dealing with countries far away, with which few people have had previous experience, it is not surprising that there have been mistakes. I would not deny for a moment that there have been, but I believe we should keep the program all in perspective.

In all frankness, I believe the program on the whole has served the interest of the country under both the previous administration and the present administration. We had 8 years of this program under Mr. Eisenhower. I supported it during those years. I have taken more criticism, I believe, than most Senators, because it was my unhappy role to have to defend it. And I did defend it. My own constituents did not understand it, but they forgave me for it. So that is all past. But I believe the time has come when the pattern of this bill must be abandoned and a new start taken. By that, I mean the time has come when, although we cannot afford to give up assistance entirely, I believe the means or the method by which we approach the problem should be reexamined.

I shall not bore the Senate by repeating what I said on Monday, but I hope the administration will seriously consider that point.

I believe the majority leader and the minority leader have been quite constructive in initiating this move. I realized when the committee reported the bill that, in view of past practices of this body and the other body, some cuts could be expected. This is an old tradition of this body. Whether or not we can justify it on a reasonable basis is another matter.

The Senator from Oregon [Mr. MORSE] has been a greater perfectionist than I. He expects perfection of us poor limited mortals, and I thought I should bring this out.

I respect his views. I still maintain that this compromise, which has been reached after 4 days of debate, to a degree justifies my own view that there should be some leeway for the expected cuts. While I would not have selected this particular figure, perhaps—I recommended that it be $4 billion, or at least $3.9 billion; this is somewhat less—I think it is a satisfactory figure. I shall support it. I hope the Senate will.

I hope, as a part of it, it will not continue to be cut to pieces, either on further amendments as to amount or as to policy. However, we will meet that situation when we come to it. Any Senator is free to offer any amendment he likes. I think this proposal is a sound gathering together of various divergent viewpoints into one amendment.

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

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. May I say to the Senator from Arkansas, the Senator from Illinois, and the majority leader, that, as one who has struggled with this problem in the Appropriations Committee for a great many years, and who has supported the principles behind the program, I have found that one of the greatest difficulties has been that the authority under which we are requested to appropriate is usually different from the amount that comes to the Senate from the House. In other words, there is a great spread between the authorization and the appropriation.

As I understand the situation, the difference between the House and the Senate authorization has been cut to $300 million.

Mr. FULBRIGHT. That is approximately correct.

Mr. SALTONSTALL. It is approximately correct. Therefore, after a conference between the House and the Senate, there will not be a very great difference.

As a member of the Appropriations Committee, I hope the figure we will receive will not be too far different from the authorization, because when it is different from the authorization, the administration, whether it be Democratic or Republican, comes forward and submits reasons why we should live up to the full authorization amount. There is great reaction against doing it, and we have a struggle, as the Senator from Arkansas knows so well.

Mr. FULBRIGHT. As the Senator knows, we have never lived up to the authorization.

Mr. SALTONSTALL. I think what the leadership has done in increasing the contingency fund to the full authorization amount has been very helpful, because when we give the President leeway with the $300 million, it will increase the flexibility of the funds. If we have made too much of a cut in other accounts, he can use the contingency funds.

I speak as a member of the Appropriations Committee who, as I have said, has spent many hours on this subject. If we can get together with the House and keep the appropriation near the authorization, I think we shall have relieved ourselves of a great burden.

Mr. FULBRIGHT. I appreciate what the Senator has said. He is correct.

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

Mr. FULBRIGHT. Yes. I will yield the floor if he wishes me to.

Mr. GORE. Mr. President, I raise no question that the chairman of the committee, the leadership on both sides of the aisle, and sponsors of the amendment have done other than what they in their judgment think proper. As a member of the Foreign Relations Committee who was importuned by the Secretary of State and by the Secretary of Defense to support the bill before the committee in the name of national security, I must say that this appears to be cavalier treatment of an important committee of the United States Senate. Without consultation with the committee, without rereference to the committee, indeed before the fight really starts, amendments to the bill providing heavy reductions are proposed by those who ought to be its principal supporters.

Perhaps the authorization should be cut this much. I do not know. Perhaps it should be reduced more.

Mr. FULBRIGHT. May I ask the Senator if he wished to ask me a question, or to make some comments?

Mr. GORE. I asked the Senator to yield to me for a brief comment.

Mr. FULBRIGHT. I will yield the floor if the Senator does not wish to ask me a question.

Mr. GORE. I wish to lay a predicate for a question.

Mr. FULBRIGHT. The Senator is quite free to criticize the chairman of the committee. I know the Senator's position with regard to this bill. I respect it. But I do not know why he requests me to stand and listen to him. May I listen while sitting down?

Mr. President, I yield the floor.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. The Senator from Tennessee was not seeking to direct any personal criticism at the chairman of the committee. The Senator from Tennessee was calling attention to what he regards as cavalier treatment of a legislative committee and the members of that committee.

What justification is presented for the amounts proposed in the pending amendment? If this bill, in the view of the leadership of the Senate and the administration, now needs this kind of reduction, then I say it ought to be recommitted to the committee and let the committee which has the responsibility of so doing examine the estimates again and recommend the reductions which, in the opinion of that committee, are wise.

Why is the contingency fund for the President increased? We are given no reason here. Do Senators wish to vote for an amendment which adds $125 million which can be spent for unspecified purposes?

How does a Senator know? How does anyone know?

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

Mr. GORE. I yield.

Mr. MORSE. The Senator will recall that when we had the bill before the

committee we spent a long time on the contingency fund issue, and after thorough consideration we decided, as a committee—I think by a substantial majority, although I do not recall exactly what the vote was; it is a matter of record—that it ought to be cut. I know of no reason why the cut made by the committee should be compromised.

I shall talk about that. On that particular item the Senator will recall very clearly we had a long discussion, and finally ended up with the judgment that the item ought to be cut. I think we were right then.

Mr. GORE. Yet we are offered an amendment increasing that amount by $125 million, without one scintilla of justification offered.

If we are to write this bill on the floor of the Senate, then there may be other amendments offered to the amendment. I had not intended to vote to recommit the bill. It now seems to me that is the wisest course to pursue.

The distinguished chairman of the committee says he knows my position on the bill. He has reason to, because I gave to him my proxy to support the bill at a meeting at which I could not be present. Why? Not because I desired to see an authorization of this size, but because I was importuned, in the name of national security, to support the position of the administration. I just do not feel this is quite the right way to treat the Senate Foreign Relations Committee.

It is true that the amendment is offered by the chairman of the committee, the majority and minority leaders, and the ranking minority member of the committee.

What about the senior Senator from Missouri [Mr. SYMINGTON]? What about the other members of the committee? Were they consulted? It is the responsibility of the Foreign Relations Committee to make recommendations on the bill. I shall not detain the Senate further.

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

Mr. GORE. I yield.

Mr. SYMINGTON. Mr. President, I join with the distinguished senior Senator from Tennessee in apprehension about this suggested amendment. The majority leader mentioned something about the distinguished chairman of the Foreign Relations Committee being used as a whipping boy. I do not know what that is all about. Everyone knows that there is no more able and dedicated Member of the Senate than the Senator from Arkansas. He has been frank in his presentation to the Senate, and also in criticism of the bill, in the committee report now before the Senate. It is a privilege and a pleasure to work with him and for him on the distinguished committee that he chairs.

On the other hand, I join the able senior Senator from Tennessee in what he says about all of a sudden having suggested the heavy reduction, hundreds of millions of dollars, in this aid authorization. The able Senator from Oregon [Mr. MORSE] is correct in his recollection of what went on in committee with respect to the contingency fund.

We have suggested to us now a $300 million reduction in military aid. That may be right or may not be right. In any case, rather than any approval now, I hope there will be some time so we can analyze the overall figure, from the standpoint of what is necessary in the various component parts.

Frankly, I do not know whether, until some analysis, $385 million is too much, or too little; and would hope that, before the Senate votes on an amendment of this character, we will have an opportunity to find out just what the proposed amendment would do to the various component categories in question.

I thank the distinguished Senator from Tennessee.

Mr. GORE. Mr. President, what the proposed amendment really does is to undermine the integrity of the estimates and recommendations before the Senate. Who can now place reliance and confidence upon the estimates, if suddenly $385 million is ripped out by ad hoc agreement? I do not wish to preempt the opportunity for one of my seniors on the committee, but, unless some majority member of the committee, senior to me on the committee, offers a motion to recommit the bill before the amendment is voted on, I shall do so. I will yield to another Senator to do that.

I am chagrined and disturbed by this kind of treatment of the committee. I repeat, I am sure that the authors of the amendment have done what in their judgment appears to them to be best. I do not make any critical personal remarks about any Member of the Senate. However, here is a very important issue and a procedure which, to say the least, is most unusual and, in my judgment, unjustified.

Mr. MORSE. Mr. President, I shall not speak at great length on this subject at this time.

So far as the amendment under discussion is concerned, probably we need now, more than anything else, a recess overnight and a further discussion of it tomorrow, at which time I shall be prepared to discuss it in greater detail. Earlier today I received a telephone call in the cloakroom. It was from one of our colleagues in the Senate, who said he understood that I had joined in the submission of the so-called compromise. I assured him I had not, and that I would oppose it. I am opposed to the amendment.

There is another matter which I wish to make very clear so far as I am concerned; and I am sure it represents, from his standpoint, the position of the Senator from Arkansas also. The Senator from Arkansas knows the great admiration in which I hold him. He knows also that the emphatic and vigorous disagreement with him on many matters concerning the bill, and his views concerning a good many policy questions involved in the bill, are entirely professional differences, and do not in any way affect my great admiration for him. We have an honest difference of judgment in regard to how the question should finally be disposed of.

I wish to make only this observation: I most certainly shall press my motion to recommit, in due course of time. I have been in conference with the majority leader as to when it should be done. We have reached no agreement, but the last time I talked with him I said I probably would make the motion tomorrow.

The proposed compromise, for the very logical reasons given by the Senator from Tennessee, supports my motion. I believe the committee ought to go back into session on the bill.

This is no reflection on the chairman or other members of the committee, or anyone else. Let us bring this point out in the open. There is concern about what is going to happen to the bill. There is concern about it in the Senate, and there is concern about it downtown.

There was given to me a few minutes ago by a representative of the State Department in behalf of the State Department, a proposed further modification of the Morse amendment on military juntas. I shall give it careful consideration. The State Department and every executive official downtown are very much concerned about what may need to be done to bring about the strongest possible bill with the maximum of unity among us, while keeping the national interest in a strong position.

Many policy questions have arisen. We ought to sit down in committee in executive session and consider these questions. Perhaps the committee will wish to bring back the identical bill. I do not know. However, I believe it is sound legislative procedure to take the proposed action now, if we are to consider a proposal which takes more than $300 million out of the bill, with certain reallocations. We ought to evaluate the policy effects of such cuts, and the amounts with regard to other items.

I do not wish to say any more about this subject now, except to make this comment about the so-called contingency fund of the President. It would be a great mistake to increase the contingency fund of the President. If there is any place in the bill where we can safely cut it, this is the place. If the President needs more money for an emergency fund, how long does anyone think it will require him to get it? He would get it in a matter of hours.

It is easy to say, "He must have a little money in the emergency fund." Yet we were told that he did not use a dollar of it in connection with the great Cuban crisis last year. Can anyone imagine a crisis more threatening to the security of the country than the Cuban crisis of last year? He did not feel it necessary to use any contingency money for that.

Under our system, the President ought to be very wary about having available a huge sum of money for executive use.

That is what raises doubts and suspicions. That is what raises questions as to whether we are exercising representative government under checks or are weakening that system by giving unchecked power. It has nothing to do with who is President. Year after year, I have opposed providing large sums for contingency funds of the President. I have advocated just enough for immediate action, until he can request Congress for

more money for the needs of an emergency.

There is a question of scheduling. If we do not recommit the bill to consider all the overall policy questions together, there will be a problem of scheduling that could have a very important effect on the subsequent action of the Senate on many policy questions.

The bill needs to be revised in many particulars in connection with the policies that it proposes to perpetuate. We ought to deal with the policy questions before we deal with the money questions. We ought to decide what the policy of the foreign aid program will be. After we have agreed upon policy, we ought to decide how much money to authorize for appropriation. We are not devoid of our understanding of floor tactics and technique. If we settle the money issue by a majority vote, if it is thought that that can be done, there will not be much interest thereafter in any discussion of amendments that affect various policies. It is putting the cart before the horse, but to the advantage of getting the bill in pretty much the form in which it came from committee, if the money issue can be settled first. I should like to come to grips with some of the policy questions, and then take up the money amendments and decide whether the amounts shall be cut thus and so, more or less. I hope they will be cut more.

That is all I wish to say on the amendment tonight. My own plan is to move tomorrow to recommit the bill. I shall propose no instructions but shall move that the bill, H.R. 7885, to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, be recommitted to the Committee on Foreign Relations with instructions to report the bill back to the Senate no later than November 7.

The committee could report the bill the next day, or the same day, if that was what the committee decided to do. The Senate should not tell the Committee on Foreign Relations what to do with the bill. The purpose of my motion is to have the Senate say to the Committee on Foreign Relations that, in view of developments thus far in the consideration of the bill, we desire to have the committee take the bill back and consider the developments, and then to have advice and counsel in the form of a final bill.

I think that is fair and highly courteous. The motion is dignified. It is a motion that the Senate ought to adopt, and I shall offer the motion tomorrow.

Mr. MANSFIELD. Mr. President, the Senator from Oregon is correct when he says there will be no further voting tonight. The Senator has been most kind and considerate. He left the Chamber at 2 o'clock to preside over a conference meeting on the bill affecting higher education, a most important bill. He said then that he would return later today to continue the speech which he interrupted for the purpose of attending the conference. To the best of my knowledge, there will be no further business transacted today. The Senator from Oregon will be free to resume his speech.

ORDER FOR RECESS UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, it take a recess until 12 o'clock noon tomorrow.

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

PIONEERS IN AGRICULTURAL MARKETING

Mr. HUMPHREY. Mr. President, on October 23, 50 pioneers in agricultural marketing were honored at a dinner held at the National Press Club in Washington. This was a highlight event in connection with the observance by the U.S. Department of Agriculture of its 50 years of organized marketing services to producers, processors, distributors, and consumers. The featured speaker at the dinner was Secretary of Agriculture Orville Freeman.

Among these 50 pioneers designated by the Washington chapter of the American Marketing Association were 5 Minnesotans and the distinguished senior Senator from Florida [Mr. HOLLAND], the chairman of the Agriculture Appropriations Subcommittee.

Mr. President, I am acquainted with many of these gentlemen and have personal knowledge of their contributions to agricultural marketing. I am in full accord with Secretary Freeman, who declared that "to all those who have given their talents and energies to develop our highly efficient marketing system, each of us owes a debt of gratitude."

Those honored from Minnesota are some of our finest citizens. They are:

Ford Bell of Hopkins, chairman of the board, the Red Owl Stores, is one of our outstanding businessmen and civic leaders. Mr. Bell founded Red Owl Stores in the 1930's and built the business up to its present level of 173 stores. Mr. Bell has developed a highly successful business engaged in marketing processed agricultural products.

Dr. Austin A. Dowell of St. Paul, recently retired as director of resident instruction in the College of Agriculture of the University of Minnesota, is widely known for his research in the field of livestock marketing. He is particularly known for his research on direct marketing of hogs which at the time was the subject of acrimonious controversy, but his findings were vindicated by later developments.

Dr. O. B. Jesness, retired from the Department of Agricultural Economics, University of Minnesota, St. Paul, is widely recognized as a leading authority in the field of agricultural economics and marketing. His contributions have exerted great influence in the development of the marketing and distribution system and structure.

Gordon Sprague, Land O'Lakes Creameries, Minneapolis, an economist who through his long service in government and private industry has contributed materially to improvements in marketing. He has done important work in expanding markets and outlets for milk and milk products.

M. W. Thatcher of St. Paul, recognized as a leading authority on grain marketing, is president of the National Federation of Grain Cooperatives and has held that post since this group was organized. As general manager of the Farmers Union Grain Terminal Association, St. Paul, Minn., he has provided aggressive and effective leadership in the worldwide marketing of grain for producer members of this large grain cooperative.

Senator HOLLAND was cited for having given generously, both in private life and public service, of his time and energies to the development and strengthening of marketing services and agencies, particularly in the Florida citrus industry.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of the 50 pioneers in agricultural marketing and a brief accounting of their contributions.

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

PIONEERS IN AGRICULTURAL MARKETING

Harold C. Albin, Contoocook, N.H., supervised the vast surplus removal activities of the U.S. Department of Agriculture in the thirties and forties, getting surplus farm products distributed among people who couldn't afford to buy enough to eat. He was postwar Director of what is now the Food Distribution Division of the Agricultural Marketing Service.

Melvin W. Alldredge, New York, N.Y., president of the Great Atlantic & Pacific Tea Co., has been in the business of marketing food since he was 19. He came up through the ranks of retail food marketing and has demonstrated outstanding leadership in that field.

Paul Armstrong, Pacific Palisades, Calif., recognized as having made an outstanding career in the field of fruit marketing, was with Sunkist Growers, Inc., Los Angeles, Calif., for 41 years, most of the time as general manager. He was the guiding hand in the marketing of California and Arizona citrus fruits during a period of fundamental changes in citrus marketing. He also was one of the first to see the advantage of standardizing farm products and promoting them by advertising.

A. Z. Baker, Cleveland, Ohio, retired in 1962 as the first president of the American Stock Yards Association, is now president and general manager of the Cleveland Union Stock Yards Co. He is recognized as an outstanding authority on terminal market operations, and has contributed materially to the improvement of livestock marketing.

Ford Bell, Hopkins, Minn., chairman of the board, the Red Owl Stores. After starting a career as a writer, he founded Red Owl Stores in the thirties and built the business up to its present level of 173 stores.

Earl W. Benjamin, Branchport, N.Y., recognized as an early leader in the development of wider markets for Pacific coast eggs and poultry, was for many years a key figure in successful cooperative marketing. He played a major role in developing trade and consumer acceptance of Pacific coast eggs in eastern markets.

Dr. Joshua Bernhardt, Chevy Chase, Md., one of the country's foremost sugar marketing experts, developed the basic technical formulas and statistical data for the administration of U.S. sugar marketing quotas. He was the first to administer both the Jones-Costigan Sugar Act of 1934 and the Sugar Act of 1937 regulating the imports and domestic marketings of sugar. He is now retired from the U.S. Department of Agriculture and serves as a consultant to

the Commonwealth of Puerto Rico, particularly on sugar marketing problems.

Charles B. Bowling, Washington, D.C., during a career with the U.S. Department of Agriculture, has contributed greatly in getting equitable transportation rates and improved transportation services for farm products, thus facilitating profitable marketing of agricultural commodities. He is presently serving as transportation consultant with the National Grange.

Charles A. Burmeister, Washington, D.C., is regarded as one of the first to identify and use marketing cycles, particularly of cattle, in the projection of market prices. For many years served as an economist in livestock marketing in the U.S. Department of Agriculture. Is now retired and engaged as economic consultant and adviser in livestock marketing.

Carlos Campbell, Arlington, Va., former executive secretary of the National Canners' Association, gave stature to the food canning industry by marshaling its collective intelligence and developing unity of purpose and action in the interest of both producers and consumers.

N. R. Clark, La Grange, Ill., executive vice president of Swift & Co., is recognized as an outstanding leader in the field of marketing and a champion of good marketing practices.

W. L. Clayton, Houston, Tex., chairman of the board of the firm of Anderson, Clayton & Co., one of the largest cotton marketing firms in the world. He has been engaged in various public service capacities—Assistant Secretary of Commerce, Administrator of the Surplus War Property Administration, and as Under Secretary of State for Economic Affairs. In his various fields of public and private work, he has contributed vastly to the development of international trade.

Samuel Cooke, chairman of the board and chief executive officer of Penn Fruit Stores and Schreiber's Stores, Philadelphia, Pa., is recognized as one of the early leaders in the supermarket field. He was one of the founders of Penn Fruit Co.

Dr. Austin A. Dowell, St. Paul, Minn., recently retired as director of resident instruction in the College of Agriculture of the University of Minnestota, is widely known for his research in the fields of livestock marketing. He is particularly known for his research on direct marketing of hogs which at the time was the subject of acrimonious controversy but his findings were vindicated by later developments.

Willion B. Duryee, Allentown, N.J., is credited with many firsts in his career as a practical farmer, farm leader, and public servant. As a former secretary of agriculture in New Jersey, he inaugurated a number of lasting marketing programs, including the development of nine cooperative auction markets which revolutionized the marketing of New Jersey produced eggs and fruits and vegetables. He was also the first vocational agricultural instructor in New Jersey and the first county agricultural agent.

Dr. Henry E. Erdman, Berkeley, Calif., now professor emeritus, University of California, is recognized as outstanding in agricultural marketing research. He has exercised particularly significant leadership in advancing cooperative marketing and in developing cooperatives in California.

L. F. Fadler, Sr., Pittsburg, Kans., a large and successful service wholesaler of fruits and vegetables, was one of the first to work with retailers in improving the marketing of fresh fruits and vegetables. In furtherance of this, he helped organize the United Merchandising Institute of the United Fresh Fruit and Vegetable Association for improving retail marketing of fresh produce.

Charles E. Gage, Falls Church, Va., is recognized as one of the foremost authorities on tobacco quality and the development of tobacco grades. He was the first head of the U.S. Department of Agriculture's Tobacco Division which was created in 1929. He is now retired and has been engaged in consulting work in the tobacco industry.

Dr. Edwin W. Gaumnitz, executive secretary, National Cheese Institute, Inc., Chicago, Ill., is recognized as an outstanding authority in the marketing of milk and milk products. During the 1930's he was Chief of the U.S. Department of Agriculture's Dairy Section in the Agricultural Adjustment Administration, and set the pace for development and administration of the Federal milk marketing order program. His advice and counsel on problems in the marketing of milk and dairy products are widely sought.

Donald R. Grimes, president, Independent Grocers Alliance, Chicago, Ill., has for many years been a leader and champion of independent grocers. He has helped this segment of the food distributing industry improve operating efficiency and lower costs in the face of growing competition.

James B. Hasselman, Washington, D.C., retired as one of the agency information heads in the U.S. Department of Agriculture, long recognized as a dean of information specialists in Government. He has been involved in agricultural marketing information work since the "Aron Shapiro" days and the first big agricultural marketing troubles in the 1920's.

Senator SPESSARD L. HOLLAND, Washington, D.C. (Bartow, Fla.), a lawyer by profession, has in private practice and public service given generously of his time and energies to the development and strengthening of marketing services and agencies, particularly in the Florida citrus industry.

Charles W. Holman, Washington, D.C., long recognized as a leader in the field of cooperative marketing, served for many years until his retirement as the first secretary of the National Milk Producers Federation. He, in fact, was generally regarded as the chief spokesman for the dairy industry in Washington. He also was one of the principal founders of the American Institute of Cooperation and long a motivating force in that organization.

Clifford R. Hope, Garden City, Kans., former Member of Congress and former ranking minority member of the House Committee on Agriculture, is widely recognized for his outstanding contributions in the development and enactment of agricultural marketing legislation, including the Agricultural Marketing Act of 1946. Since retirement he has served as consultant to Great Plains Wheat, Inc., and has been a leader in the expansion of export markets and the improvement of the quality of wheat exported.

Lyman S. Hulbert, Washington, D.C., now retired from the U.S. Department of Agriculture, is an outstanding legal authority in agricultural cooperation and is nationally and internationally recognized as an authority on cooperative law. His publications have been used as standard references in the cooperative marketing field. He is now engaged in private practice.

Harold J. Humphrey, Ardsley-on-Hudson, N.Y., contributed greatly to the early development of the frozen-food industry. His research work resulted in basic knowledge that made large-scale production and merketing of frozen foods feasible. He is past president of the National Association of Frozen Food Packers. Since his retirement from research work in the frozen food industry, he has been serving as consultant to the Food Conservation Division, United Nations Children's Fund, in New York.

John B. Hutson, president, Tobacco Associates, Inc., Washington, D.C., is recognized as a foremost authority in agricultural marketing, particularly in the domestic and export marketing of tobacco. Prior to his present affiliation in private business, he had a highly successful career in which he served in various capacities of responsible leadership in both the U.S. Government and the United Nations. He is a former Under Secretary of Agriculture, President of the Commodity Credit Corporation, wartime director of food production, Administrator of the Agricultural Adjustment Administration, Chief of the AAA tobacco section, and has also served on various international bodies in the fields of food and nutrition and represented the United States at numerous international conferences. Early in his career, he was among the first to engage in work now being done by agricultural attachés and in recent years has been concerned with the expansion of export markets.

Dr. O. B. Jesness, retired from the Department of Agricultural Economics, University of Minnesota, St. Paul, Minn., is widely recognized as a leading authority in the field of agricultural economics and marketing. His contributions have exerted great influence in the development of the marketing and distribution system and structure.

Judge Marvin Jones, chief judge, U.S. Court of Claims, Washington, D.C., served for more than 20 years as a member of the Agricultural Committee of the House of Representatives, 10 years as its chairman. He helped draft and enact many of the basic laws affecting agriculture, including the Agricultural Marketing Agreement Act of 1937. He has served in all three branches of the Government, but his primary interest has always been in matters pertaining to agriculture.

Mrs. Marie Kiefer, executive director, National Association of Retail Grocers of United States, Chicago, Ill., is recognized as a moving force in retail grocer association work. She has been leader and spokesman for the small retail grocer, and active in improving their merchandising and public relations.

C. W. Kitchen, Washington, D.C., is outstanding in the field of marketing and ranks among the first in the development of present-day marketing services, particularly for fruits and vegetables. He has a long and rich background of work in both Government and industry and is noted for his success in dealing with governmental, industry, and trade association groups in the improvement of marketing and distribution of agricultural products.

John A. Logan, Washington, D.C., business executive and management counsel, was president and chief executive officer of the National Association of Food Chains from its beginning in 1934 until he retired in 1961. As a leader in food marketing, he organized the first nationwide program in 1936 to stimulate consumption of agricultural products when emergencies existed due to seasonal surpluses, by coordinating the merchandising know-how and facilities of food chain stores when requested to do so by producer groups. Over 350 campaigns and promotions benefiting almost all edible farm products proved this program to be sound and valuable for farmers, retailers, and consumers. This was a forerunner of the plentiful foods program of the U.S. Department of Agriculture. He organized and coordinated the first "Supermarket USA" food market sponsored through the cooperation of the USDA's Foreign Agricultural Service and the food industry, which was shown in Rome, Italy, in 1956. This helped broaden the market for many U.S. agricultural products and also acquainted people throughout the world with one important aspect of democracy—freedom of choice.

Albert Lowenfels, New York, N.Y., with a background of 56 years in the field of butter marketing in the New York City area, is recognized in the dairy industry as a foremost leader in the advertising and merchandising of butter. He is well known in Midwest trade circles where he traveled to creameries to purchase butter in the early 1920's. The family firm, Hotel Bar Foods, Inc., was founded by his father in 1885 who retired in 1923. The family tradition in the business is being carried on by a son.

Joseph M. Mehl, Washington, D.C., former Administrator of the Commodity Exchange Administration and predecessor agencies, who until his retirement from Government service devoted most of his career to the Federal regulation of commodity futures markets. He was first employed in the U.S. Department of Agriculture in 1917 as an investigator in cooperative purchasing in the Office of Markets and Rural Organizations. He probably has done more than any other person in developing Federal regulation of futures trading in agricultural commodities and fostering principles of equity and integrity in the Nation's commodity futures markets.

Albert E. Mercker, executive director, National Potato Council, Washington, D.C., fondly known as "Mr. Potato" throughout industry and Government, is recognized as a leading authority on the marketing of potatoes. He retired from the U.S. Department of Agriculture after nearly 40 years of outstanding service and since then has headed the National Potato Council.

E. A. (Woody) Meyer, eastern representative for Richmond-Chase Co., New York, N.Y., widely recognized as one of the statesmen in the canning industry, is a leader among fruit and vegetable processors. He has made major contributions in public service with the War Production Board, the War Food Administration, and as Director of the Fruit and Vegetable Branch when the Production and Marketing Administration was first established in the U.S. Department of Agriculture. When the Agricultural Marketing Act of 1946 was enacted, he was given the assignment to organize the marketing research work under this trailblazing legislation.

Fred A. Motz, Mathews, Va., now retired from the U.S. Department of Agriculture, is a recognized authority on introducing U.S. fruits to the Western European trade and acquainting producers and exporters with European market requirements. His activities, covering approximately three decades beginning in 1930, established the solid foundation on which this country's apple export industry now operates.

Dr. Edwin G. Nourse, Washington, D.C., educator and leader in economic thought and adviser to Presidents, has a remarkable career of service that has had a profound impact on every aspect of agricultural marketing. He is the author of several important books in the field of marketing and has held many major assignments, including that of Chairman, Council of Economic Advisers, Executive Office of the President, 1946–49.

Milo Perkins, Tucson, Ariz., is widely known for his efforts to make use of America's farm abundance for the benefit of all its people. As Administrator of the U.S. Department of Agriculture's Surplus Marketing Administration in the late thirties he developed the early food stamp plan, distributing surplus foods for needy persons and children in school lunch programs, and initiated other programs to help solve the problems of underconsumption and want in the midst of plenty. He is widely recognized as an authority on marketing and is engaged in private business as a consultant in foreign trade.

Dr. Edmund A. Perregaux, Storrs, Conn., known throughout New England as a leader in agricultural marketing, he has been particularly active in the field of cooperatives. Prior to his retirement from the University of Connecticut, he played a major role in advising agricultural marketing cooperatives in dealing with organizational and marketing problems.

Gordon Sprague, Land O'Lakes Creameries, Minneapolis, Minn., an economist who through his long service in Government and private industry has contributed materially to improvements in marketing. He has done important work in expanding markets and outlets for milk and milk products.

Dr. Hazel K. Stiebeling, Washington, D.C., has long been recognized as an international leader who has made lasting contributions in the science of human nutrition which have enhanced the well-being of people in all parts of the world. Her work in home economics and nutrition has enabled the American homemaker to become a wiser buyer and user of food. After an outstanding career of achievement in the U.S. Department of Agriculture, she retired in 1963. She is a recipient of the President's Award for Distinguished Federal Civilian Service which was given to her in 1959.

Edwin W. Stillwell, Washington, D.C., was engaged for over 45 years in private and governmental activities directly related to the marketing of agricultural products. He directed the U.S. Department of Agriculture's market news service for fruits and vegetables in its early and expanding years. He helped develop and managed grape and prune industry organizations in California, using new approaches to marketing under private contracts and Government marketing agreement program procedures. In recent years he has served as a consultant to chain stores, the trucking industry, and other businesses in their relations with farmers and farm organizations in the handling and marketing of farm products.

M. W. Thatcher, St. Paul, Minn., recognized as a leading authority on grain marketing, is president of the National Federation of Grain Cooperatives and has held that post since this group was organized. As general manager of the Farmers Union Grain Terminal Association, he has provided aggressive leadership in the worldwide marketing of grain for producer members of this large cooperative.

Gordon Urner, Urner Barry Publications, New York, N.Y., is a partner and executive in the firm which long has been the outstanding commercial market reporting service for dairy and poultry products and for fruits and vegetables. He has spent a lifetime in commercial market news work and improving the marketing services of the family firm which was founded more than a century ago.

Dr. Harry R. Wellman, vice president, Agricultural Sciences, University of California, Berkeley, Calif., widely recognized as one of the country's leading agricultural economists who has made numerous valuable contributions in the field of marketing. His advice and guidance on marketing problems are frequently sought by representatives of governmental agencies and private enterprise leaders.

Leslie A. Wheeler, Chevy Chase, Md., is particularly recognized for his work in foreign marketing, especially in the field of international commodity agreements prior to his retirement from the U.S. Department of Agriculture as head of the Office of Foreign Agricultural Relations. He has a long record of exceptional service in Government and has had many important foreign assignments. He has served as consultant for the International Federation of Agricultural Producers since 1951.

Paul S. Willis, president, Grocery Manufacturers of America, New York, N.Y., recognized as an outstanding authority in the food merchandising field, has contributed materially to improving relationships and understanding between the food manufacturing industry and agriculture.

P. O. Wilson, executive vice president, National Live Stock Producers Association, Chicago, Ill., has been the guiding hand behind one of the largest and effective livestock producer associations in the United States. He has been active in many livestock marketing programs and has made numerous valuable contributions in this field.

H. S. Yohe, Chevy Chase, Md., retired from the U.S. Department of Agriculture where he was long responsible for administering the U.S. Warehouse Act. In this work he initiated and developed the important safeguards farm producers now enjoy in the storage and warehousing of their products. His contributions in this field have resulted in continuous protection and savings from immeasurable losses for producers and loan agencies.

THERE MAY BE A FEW GOBLINS TONIGHT

Mr. HUMPHREY. Mr. President, tonight is "trick or treat night." Swarms of little children will come out dressed as ghosts, goblins, witches, skeletons. As doors open to their knocks, gales of laughter and giggles will come out from behind the masks. The wonderful world of childhood will betray that it is having a great deal of fun. They do not believe in the goblins they portray. They are not scared. They do not really mean to scare us. If we play the game rightly, we will however pretend just a little.

They will announce "trick or treat," and hold up a bag for our contribution to their cache of enough candy to get sick on. Many of them, and the number is growing, will ask for contributions to UNICEF—the United Nation's children organization that uses the money to help underprivileged children and mothers in 116 countries of the world. All kinds of church groups, Catholic, Protestant, and Jewish have encouraged this. The children have taken it up enthusiastically, even if here and there a little candy or an apple on the side is welcome too.

A few ghosts and goblins, however, are having a resurrection, even in this modern age. A few doors will open to reveal the species. There will be no masks or costumes. Only some stern visaged, humorless, tasteless people, exuding a chill as cold as their hearts. For myself, I would rather meet a good, old-fashioned ghoul. Such would stimulate one to fight or run. These modern incarnations might freeze one on the spot.

To every request from one child for something to help another child—at his own church school he will have added some of his own allowance to the pile—these goblins will give out a little slip of paper. It will cost the donor a penny apiece. It will condemn this UNICEF enterprise. Poor members of the John Birch Society, and other apostles of the rightwing will just give a little lecture to the same point.

But ghosts and goblins are not for real. The children will not be taken in. At first they may be somewhat puzzled at this queer behavior; these strange people who believe goblins are real and even look like them.

For a few oddballs, the children will shrug it off. Their patience should not be tested too far however. For neither fun nor good will is going to be spoiled to much. Some little pockets, I venture, will contain a piece of soap to be used on the windows of stinkers who overdo it.

I ask unanimous consent that the attached article from the New York Times of October 30 be printed in the RECORD at this time.

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

[From the New York Times, Oct. 31, 1963]

ATTACKS BY RIGHTISTS ON UNICEF AND FUND DRIVE REPORTED RISING

UNITED NATIONS, N.Y., October 30.—Rightwing attacks on the United Nations Chil-

dren's Fund (UNICEF) and its annual Halloween drive have increased this year, a spokesman for the agency said today. The fund's trick-or-treat collection will be made in many parts of the United States tomorrow.

Rightist groups are conducting extensive propaganda campaigns charging that the organization is Communist-dominated, that it promotes world communism through subversion, aids Communist China, and misuses funds allotted to it.

The agency's name originally included the words "international" and "emergency," but they have been dropped.

Victor de Keyserling, director of information of the U.S. Committee for UNICEF, said much of the criticism originated with Lawrence Timbers, of Seattle. Mr. Timbers heads a group called Washington Summary, which publishes an annual letter criticizing the organization. It concentrates its efforts on the Halloween program.

Mr. De Keyserling said Mr. Timber's material had been picked up word for word by the John Birch Society and the Daughters of the American Revolution.

TAGS DISTRIBUTED

Mr. Timbers has prepared Halloween tags, selling at 10 for 10 cents, to be given out to children collecting for the agency's trick-or-treat program. The tag says: "UNICEF is government charity. It creates a world welfare state. It promotes world government. We oppose such activity."

Mr. Timbers, reached in Seattle by telephone, described the trick-or-treat campaign as "the cheapest type of propaganda to build up the United Nations."

He charged that the United Nations agency had no control over the use of its funds and trusted the word of politicians in the developing countries that these funds were properly used.

He further asserted that the agency's program—helping underprivileged mothers and children in 116 countries—was being used for Communist subversion.

"When Indonesian children got shots of penicillin they were also given shots of communism," he said.

Mr. Timbers declared that his main objection to the agency was that it was government administered and reduced initiative and self-sufficiency. He said all such help should come through private enterprise.

AGENCY SPOKESMAN REPLIES

A spokesman for the children's fund said Mr. Timbers' statements were "inaccuracies, innuendos, and examples of muddled thinking."

Mr. Timbers said his tags and letters had reached more than 15,000 people in the West, South, Middle West, and New England.

Mr. De Keyserling said the Children's Fund "was not one bit worried by the propaganda and expected proceeds from the Halloween drive to increase this year.

"All efforts to disrupt this campaign year after year have never been fruitful," he said. "Anyone who can read can get the right information for himself."

"The Children's Fund aid cannot be diverted to any purpose except that of helping sick and hungry children," he said, "because it is given in actual supplies and not in cash."

ANOTHER ATTACK

Another attack on UNICEF came from Dawn, a publication of the Independence Foundation of Portland, Ind., of which Joseph H. Thomas is editor.

An editorial published there and distributed in leaflet form charged the children's agency with aiding Communist China and with using trick-or-treat funds "to make war on the Christian anti-Communists of Katanga, where children were shot down in the streets by the United Nations 'Peace Force.'"

The reference was to the former secessionist state in the Congo led by Moise Tshombe.

Lloyd C. Bailey, executive director of the U.S. Committee for UNICEF, denied the charges today in a letter to Mr. Thomas. Mr. De Keyserling called them "shamefaced lies."

Mr. De Keyserling said the attacks were inspired by persons who find it an effective way of combating the United Nations in general. Because the agency's Christmas cards and Halloween drive come directly into the home, it is one of the best known of the United Nations groups.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, October 31, 1963, he presented to the President of the United States the enrolled bill—S. 1523—to make certain changes in the functions of the Beach Erosion Board and the Board of Engineers for Rivers and Harbors, and for other purposes.

RECESS

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move, under the previous order, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 40 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Friday, November 1, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate October 31 (legislative day of October 22), 1963:

FEDERAL RESERVE SYSTEM

J. Dewey Daane, of Virginia, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1960, vice George Harold King, Jr.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

To be senior surgeon

Walter F. Edmundson

To be surgeons

Maurice E. Snyder
Joseph H. Roe, Jr.

To be senior assistant surgeons

John T. Potts, Jr.
James D. MacLowry
John L. Overby
Joseph F. Piffat
Arthur T. Gronner
Norman J. Knorr
Matthew P. Dumont
Herschel M. Schwartz
Norbert J. McNamara
Denny W. Walters

To be senior assistant dental surgeons

Stephen L. Bissell
Donald P. Lecklitner
John H. Reiber
Donald F. Stoick

To be senior assistant sanitary engineer

Santo A. Furfari

To be assistant sanitary engineers

Gerald E. Siefken
Paul B. Smith
Clarence C. Oster
Guntis Ozolins
Jack R. Farmer
Elmer G. Cleveland

To be junior assistant sanitary engineers

Darwin R. Wright
Wayne A. Blackard

To be scientist

Ibrahim J. Hindawi

To be sanitarian

Kenneth L. Pool

To be senior assistant sanitarians

John E. Regnier
Litsey L. Zellner
Michael B. Musachio
James M. Cox

To be assistant sanitarian

James F. Lawler

To be veterinary officer

James F. Wright

To be senior assistant health services officer

Victor R. Stoeffler

CONFIRMATIONS

Executive nominations confirmed by the Senate October 31 (legislative day of October 22), 1963:

MISSISSIPPI RIVER COMMISSION

Brig. Gen. Walter P. Leber, U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress approved June 28, 1879 (21 Stat. 37; 33 U.S.C. 642).

CALIFORNIA DEBRIS COMMISSION

Lt. Col. Robert H. Allan, Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved March 1, 1893 (27 Stat. 507; 33 U.S.C. 661).

Col. Robert E. Mathe, Corps of Engineers, to be a member and secretary of the California Debris Commission, under the provision of section 1 of the act of Congress approved March 1, 1893 (27 Stat. 507; 33 U.S.C. 661).

EXTENSIONS OF REMARKS

Mrs. Serafina Ferrara Honored

EXTENSION OF REMARKS

OF

HON. ROLAND V. LIBONATI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. LIBONATI. Mr. Speaker, Mrs. Serafina Ferrara, one of the most astute businesswomen and restaurateurs of the city of Chicago was signally honored by the Immigrant Service League of Chicago for her splendid efforts in behalf of the immigrants of the city of Chicago. As a young girl she managed her dad's grocery with great success. Upon her marriage to Salvatore Ferrara, a popular and celebrated Italian pastry expert—she managed the bakery and pastry shop and candy factory. But regardless of her position of affluence in the community, Serafina always remembered the poor and unfortunate. She was never too busy to help in any charity drive or welfare movement. To this day she is ever at the beck and call of everyone for all types of programs and promotions for charitable or civic purposes. She has been honored numerous times by organizations of both social and of a charitable nature. She was named Grandmother of the Year 1956—and was cited several times by Mayor Daley, of the

city of Chicago, for her signal services rendered to the city; also for her work for St. Cabrini Hospital, Villa Scalabrini Old Peoples Home, Cardinal Stretch School of Medicine—Loyola University, The Foundling House. Several years ago for her services to the Italians in the Chicago area, she was presented with "The Star of Solidanty," by the Republic of Italy at a gala banquet in her honor, and others so cited. She is one of the few women so honored.

She is presently the proprietress of two of the largest catering and banquet services in Chicago. A series of banquet halls are always in great demand, one located at Il Chateau Royale, 5743 West Chicago Avenue, and Il Ferrar Manor, at 5600 West North Avenue.

Her son Nello, a brilliant lawyer, is president of the Ferrar Candy Co. and acted as the official of the Columbus Day parade in Chicago recently—viewed by a million Chicagoans. Her two daughters are happily married and grandmother Serafina is the favorite of their children. I am proud to present to the Congress the fine virtues and wonderful accomplishments of this talented businesswoman who has contributed so much to the unfortunates who cross her path or that she seeks out. Serafina Ferrara is a credit to her Italian lineage and American heritage. May God bless her and her children for her many charities.

A Brooklyn College Leads the Way in a Fine New Venture

EXTENSION OF REMARKS

OF

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. CAREY. Mr. Speaker, in Brooklyn, N.Y., the borough which is becoming known as "Collegeville, U.S.A.," Pratt Institute has recently demonstrated fine community spirit through two separate endeavors.

The school of engineering and science at Pratt, will introduce to the New York area a cooperative, work-study program in engineering for the academic year of 1964–65.

President Richard H. Heindel of Pratt Institute and Dr. Charles M. Thatcher, dean of the school of engineering and science, feel that many benefits will accrue to the participating students, local industry, and the institute.

As presently envisaged, students will study full time during their first year at Pratt. They will work and study during alternate semesters including summer sessions during their second, third and fourth years. Their fifth year will again be spent in full-time study at the end of which they will be awarded a bachelor's degree.

Many students currently unable to attend college for financial reasons will be able to earn as they study while at the same time gathering practical experience that will aid them in finding employment after graduation.

A Pratt trustee and alumnus, Ralph M. Parsons, president of the Ralph M. Parsons Co., a worldwide engineering corporation, observed:

> Participating industries will have a steady pool of engineering skills upon which they can draw as well as the opportunity of training qualified students in the particular skills and abilities their industries require.

Another Pratt trustee and alumnus, Gen. David Sarnoff, chairman of the board, Radio Corp. of America, commented:

> Industries will certainly welcome this pioneering step by Pratt Institute in offering to the New York area a program which has been successfully used elsewhere in the country.

At present the school has a limited cooperative program with the Brooklyn Naval Shipyard.

All engineering students in good academic standing will be eligible to participate in the new program.

In the second instance, Mr. Robert I. Queen, the director of information services at Pratt, has been appointed cochairman of a special emergency committee to help ex-New York Mirror editorial employees secure new jobs. The Newspaper Reporters Association has acted wisely by choosing a man from the academic world whose past experience in the newspaper and public relations fields make him a valuable asset at Pratt and, now, to the community. The cooperation exemplified in this instance is proof that joint ventures in this area should be encouraged. The beneficial results to both college and community are obvious.

Address by Hon. William J. Green, Jr., at Democratic Party's $100 Dinner, Philadelphia, on Wednesday, October 30, 1963

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. DENT. Mr. Speaker, I had the pleasure and privilege of hearing one of our distinguished colleagues, the Honorable WILLIAM GREEN, city chairman of the great city of Philadelphia give a speech, containing more than passing interest for the people of Pennsylvania and the good people of Philadelphia particularly.

It is always a pleasure to hear BILL GREEN and even more so when his remarks are so appropo to the situation. Mr. Speaker, I present our colleague's remarks knowing in advance that many Members will enjoy reading them.

There is also a faint suspicion that one of our Members of the other body may learn that his actions have not been ignored and he has not escaped the folly of his ways scot free.

The address follows:

REMARKS BY CONGRESSMAN WILLIAM J. GREEN, JR., PHILADELPHIA DEMOCRATIC CHAIRMAN, PREPARED FOR DELIVERY AT DEMOCRATIC PARTY'S $100 DINNER AT CONVENTION HALL, WEDNESDAY, OCTOBER 30, 1963

Philadelphia can be proud of many things but there can be no greater pride than the realization that here in our city a great dream was born. A great man was launched on the road to the Presidency.

When I have said that, I have said it all. Our President needs no glowing words of tribute to memorialize his brilliant accomplishments.

So I turn to a subject which can stand all the public exposure it can get. I turn to that creaking structure of hidebound conservatism, the Republican Party—a party which today is racing to meet the challenges of the future with all the speed of a two-legged turtle floundering in quicksand.

And the Republican Party in Philadelphia is mired in a swamp of futility all its own. This is a party in which leaders eliminate qualified candidates in order to scoop from the bottom of the barrel a man who has never held public office. A man who has never served in a top administrative post, not in business, not in industry. A man who has twice been rejected by the people in his ambitious quest for power. A rather peculiar man who, for some strange compulsion best known to himself, carries on a one-man war against the Philadelphia Zoo.

In all the years, I have been in politics, I can truthfully say that this is the first time I've ever heard of a candidate trying to win political advantage at the expense of zebras, bears, llamas, and penguins. This represents some kind of new low, even for Republicans. Obviously, somebody over at the union league made a horrible mistake, instead of running James McDermott for mayor, they should have run Clyde Beatty. Maybe they ought to arrange for McDermott to campaign in a cage.

And as if that's not enough, have you read in one of our local newspapers that a Republican candidate for city council thought that his leader, "5-Percent Willie" Scranton was a member of the Ku Klux Klan? Now I grant you that "5-Percent Willie" is no prize bag but even the Democrats never accused "Wee Willie" of cutting out holes in pillowcases, but maybe that's what comes of associating with the new breed of superman being merchandized by Arizona department stores these days. "5-Percent Willie's" been chasing GOLDWATER'S bandwagon so hard that "Willie's" hot breath is beginning to fog the Senator's bifocals.

But we all know about "5-Percent Willie," he's like quicksilver: When you try to put your finger on him there's nothing under it. Getting "Willie" to take a stand on public issues is like trying to prop up a wet noodle. The last time "Willie" took a stand on anything was when his boss, "Harve" Taylor, walked into his office. Of course you all know "Harve" Taylor; he's the one who spends his free time kissing Scranton on the cheek.

But don't let anybody kid you, Scranton really works hard at his job. Pennsylvania's never had a Governor who signed so many new tax bills into law. Why in the first few months in office, the Peter Pan of Harrisburg signed so many tax bills he had to go to "HUGHIE" SCOTT and get the cramps in his writing hand massaged.

But nobody thinks more highly of "5 Percent Willie" than the Republican candidate for mayor. Just last summer, when Scranton was sweating overtime trying to convince McDermott to withdraw from the campaign because of McDermott's immaturity and lack of experience, McDermott

phoned his local advisers and said: "If Scranton talks to me about immaturity and lack of experience just one more time I'm going to blast him and his lousy administration."

Now that's what I call real party spirit. Naturally, Scranton being the two-fisted opportunist he is took the reins of leadership firmly in his hands and beat a hasty retreat. No doubt he had visions of his presidential ambitions being kicked to pieces by the political Frankenstein which he helped create.

McDermott has made it abundantly clear that he considers politics to be the science of self-interest. However, if his talent proved half as great as his ego, perhaps his head would not be so large and his mouth might be considerably smaller. McDermott has the answer for everything and the solution to nothing. His sole qualifications for office appear to be a crewcut, three all-purpose gestures learned in speech class 2 and a pocketful of bubble gum to keep his committeemen happy.

Watching the Republican candidate's eye-rolling theatrics on television recently reminded me of that famous line from Hamlet: "I have thought some of nature's journeymen had made men and not made them well, they imitated humanity so abominably."

Yet I would not say his performance was altogether abominable, agonizingly pathetic might be a better phrase. It pains me to see a grown man wail piteously in public. "Mayor Tate, why don't you debate with me?" But I suppose "Jimmy Crew-Cut" picked up that line from Rockefeller who keeps following GOLDWATER around whimpering like a puppy dog with about the same degree of success. Maybe McDermott's secretly running for a spot in the national ticket.

He certainly has as good a chance for the Republican presidential nomination as he has to become mayor of Philadelphia. Besides just about everybody's thrown his denial into the GOP ring except Eisenhower's prize cow.

But I can guarantee that on November 5 there's going to be one Republican hopeful who won't have to pose in canoes anymore or get his brother-in-law to plaster his picture all over the cover of Time magazine. I guarantee that "5-Percent Willie's" White House fever is going to be cured once and for all right here in Philadelphia. Come November 5, Scranton and McDermott are going to be buried under an avalanche of Democratic votes. By the time Philadelphia voters finish showing "5-Percent Willie" what they think of his sales taxes and his liquor taxes and his cigarette taxes and his school taxes, GOLDWATER will be scrounging around for a new running mate.

Philadelphia voters want no amateurs mismanaging their city the way Scranton has mismanaged the State. Philadelphia doesn't need any more broken promises from Republicans. Philadelphia's citizens want no part of 10th-rate candidates who, in their hysteria, find it necessary to deny that they are members of the John Birch Society. Philadelphia wants no mayor who seeks to profit from bigotry and who would turn Philadelphia into a battleground by pitting neighbor against neighbor.

Philadelphia wants no part of a man who is so ambitious that he would falsify facts and figures to bolster his sagging campaign. In short, Philadelphia wants no part of the Republican Party which for 67 long, bitter years created the slums, the squalor, the industrial depression, the moral and physical decay which very nearly destroyed our city.

Today, after only 12 short years of unparalleled activity and leadership, the Democratic Party has revitalized Philadelphia. Today, the Democratic Party offers Philadelphia, as it has in the past, experienced and qualified candidates * * * men and women who worked shoulder to shoulder with Mayors "Joe" Clark, "Dick" Dilworth and "Jim" Tate to make our city truly great.

So let the empty words of a puny opposition echo and reecho hollowly down the corridors of Philadelphia's monuments of concrete and stone, and when the empty, meaningless words are gone, the deeds of the Democratic Party will live on. The city we have built, the new Philadelphia shall endure in all its grandeur and beauty beyond all debate. Philadelphia, what it is and what it shall become, this is our answer and our challenge, today, tomorrow, and forever.

To keep Philadelphia moving ahead let's endorse a Democratic city administration once more, as we have done 3 times in the past 12 years. Let's get out and work, work, work * * * to bring out a smashing majority for Mayor Tate and our fine Democratic ticket.

Truth in Lending

EXTENSION OF REMARKS

OF

HON. MAURINE B. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, October 31, 1963

Mrs. NEUBERGER. Mr. President, the American consumer deserves to know just how much he is paying for the goods he buys. The distinguished senior Senator from Illinois [Mr. DOUGLAS] continues to present to Congress and the American public evidence of the need for legislation requiring disclosure of the true cost of goods purchased on credit.

Just 3 days ago, Senator DOUGLAS brought to our attention another example of the flagrant trespass of consumer rights, this time in Nebraska, where the Supreme Court held that installment loans amounting to an estimated $1 billion, had been usurious.

I want to join the distinguished senior Senator from Illinois, as I have joined him in cosponsorship, in urging immediate and favorable action on S. 750, the truth-in-lending bill, and at this time commend to the Senate an article by Senator DOUGLAS, "Who's Afraid of the Truth?" in the October issue of the Carpenter, which once again clearly demonstrates why S. 750 is must legislation. I ask unanimous consent that the article be printed in the RECORD.

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

THE REAL COST OF CREDIT: WHO'S AFRAID OF THE TRUTH?

(By PAUL H. DOUGLAS, U.S. Senator from Illinois)

Are we Americans who borrow and buy on credit entitled to know the truth about the cost of consumer credit? Those of us in Congress who have sponsored the truth-in-lending bill—which would require full disclosure of the true costs of consumer credit—believe that the borrower has the right to know what credit is costing him. So do thousands of citizens who have written to us expressing their strong support for this proposed legislation.

The truth-in-lending bill would simply require that all lenders or sellers on credit such as small loan companies, automobile dealers, commercial banks and department stores tell the customer—before the contract is signed—and tell him in writing—just how much the credit is really costing.

This written statement must include the number of months the contract runs, the amount of the monthly payment and—most important—the total amount of the finance charge expressed in dollars and cents and the simple or true annual interest rate on the debt actually owed.

Thus, if you wanted to finance a used car for 18 months, the dealer would be required to tell you that on your unpaid balance of $700 with monthly payments of $46.11, the finance charge would be $129.98 and the true annual interest rate would be 22 percent.

Or if you were buying goods on a department store or mail-order house revolving credit account, the store would be required not only to send a regular monthly bill identifying the dollars-and-cents charge for credit but also to tell you that the "small service charge" of 1½ percent per month really amounted to 18 percent interest per year.

Under the truth-in-lending legislation every borrower would know in advance—before signing on the dotted line—of the price of credit in two ways, the dollar cost and the true finance or interest rate on the unpaid balance. This would enable the wage earner and housewife to compare accurately the costs of different credit plans offered by lenders and sellers and to shop as carefully for credit as for other items in the family budget.

For the past 3 years my subcommittee of the Senate Banking Committee has held extensive hearings on the truth-in-lending bill. The record of this congressional investigation of consumer credit practices demonstrates over and over again that many, if not most, consumers are either unaware, confused, or badly misinformed about the true interest rates and charges they pay for various types of credit.

In New York one witness testified that he bought furniture from a local furniture store for $389. Later he received in the mail a statement showing that he owed $588, to be repaid in monthly installments over 24 months. In other words, he was charged $199 for credit for 24 months.

We were shocked to learn that this amounted to an interest rate of 49 percent. If this witness had known that an interest rate of 49 percent was being charged him, I doubt that he would have purchased the furniture from this store.

Another witness bought a bed for $200 from another store. He was told that he would be charged an additional $76 for interest. However, his contract required him to pay back $23 per month for 2 years. We figured the true interest in this case was 168 percent.

A third witness bought a television set on credit for 30 months. We figured out the interest rate on this transaction, and it turned out to be 143 percent. We asked the witness whether, had she known the interest rate which she was being charged, she would have signed the contract. The witness replied: "Never in my life."

In Pittsburgh a witness testified that he borrowed $900 from a small loan company and was told that his monthly payments would be $58.10 for 24 months. We figured the interest rate in this case, and it turned out to be 52 percent. Would you have signed this contract if you had known that you were being charged 52 percent interest?

Of course, some of these are unusual cases, but it could happen to you. Why don't you test yourself about true interest rates and credit charges? I doubt that many wage earners are aware that:

The small monthly service charge of 1½ percent on department store charge accounts is usually a true annual interest rate of 18 percent.

The 3-percent-per-month plan of small loan companies is really 36 percent per year.

The advertised 5-percent rate on home improvement loans is not less than a 6-percent home mortgage but nearly twice as much.

The so-called 6-percent rate offered by some used car dealers is always 12 percent per year and sometimes very much higher—as much as an 18- to 25-percent interest rate per year.

The 4½-percent new car financing plan of some commercial banks is really 9 percent per year.

Credit plans for teenagers now being promoted by some retailers as only pennies per year sometimes amount to 80 percent interest per year.

These are not unusual cases but merely a few common practices involving inaccurate or misleading interest rate information. Test yourself.

Do you know what the finance charge and the true annual interest rate were the last time you borrowed money or bought on credit?

In the spring of 1962, President Kennedy sent a special message to Congress proposing a new program for consumer protection, including a basic "bill of rights" for the American consumer. These rights of the individual include, the President said, "the right to be informed—to be protected against fraudulent, deceitful or grossly misleading information, advertising, labeling or other practices—and to be given the facts he needs to make an informed choice."

To help guarantee this right, the President urged Congress to pass the truth-in-lending bill. Public support is widespread, but opposition in the Senate has prevented enactment of the bill. To overcome this opposition will require determined support for truth-in-lending by the individual borrower and buyer.

This should not be a partisan matter. Consumers who are Republicans need protection just as much as consumers who are Democrats.

All we who advocate truth-in-lending legislation are asking is that the consumer be told the truth, the whole truth and nothing but the truth—in advance—about the interest rates and finance charges he is asked to pay when he borrows money or buys an article on the installment plan.

Kennedy Sees Difference Between Personal Popularity and His Achievements

EXTENSION OF REMARKS

OF

HON. M. G. (GENE) SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. SNYDER. Mr. Speaker, today I have come into possession of two newspaper articles from my district which indicate that the FCC may be being used as a political tool in Kentucky. According to the news articles, a ruling has been made by a Mr. Joe Rosebloom, administrative employee of FCC Chairman William Henry, which called a transcription of the President's voice in answer to a news conference question a distortion because all 22 pages of the news conference were not included. This is obviously an unreasonable, dictatorial ruling—to require the inclusion of a multitude of extraneous, irrelevant matter is obviously a political move.

For the record, the complete question and complete answer as taken from the press conference read as follows:

Question. Mr. President, a Negro leader who helped organize the march on Washington says that he feels you are greater than Abe Lincoln in the area of civil rights. Apparently a lot of other Negroes support you. The latest poll showed that 95 percent probably would vote for you next year. Now, in your opinion, Mr. President, does this political self-segregation on the part of the Negroes, combined with continued demonstrations in the North, pose any problems for you as far as the electoral vote in the North is concerned next year?

The PRESIDENT. I understand what you mean, that there is a danger of a division in the party, in the country, upon racial grounds. I would doubt that. I think the American people have been through too much to make that fatal mistake. It is true that a majority of the Negroes have been Democrats, but that has been true since Franklin Roosevelt. Before that a majority of them were Republicans. The Republican Party, I am confident, could get the support of the Negroes, but I think they have to recognize the very difficult problems the Negroes face.

So in answer to your question, I don't know what 1964 is going to bring. I think a division upon racial lines would be unfortunate—class lines, sectional lines. In fact, Theodore Roosevelt said all this once very well, way back. So I would say that over the long run, we are going to have a mix. This will be true racially, socially, ethnically, geographically, and that is really, finally, the best way.

The transcript as reportedly used on the radio is as indicated in the following David Lawrence column which appeared in the Evening Star on October 11, 1963:

KENNEDY PUTS FINGER ON CHANCES—SEES DIFFERENCE BETWEEN PERSONAL POPULARITY AND HIS ACHIEVEMENTS

(By David Lawrence)

Whenever President Kennedy completes his Government service, he can certainly expect to get a fruitful job as a political writer. It would not be based solely on his prestige as a former President but also on his astute knowledge of political trends and fundamentals.

Mr. Kennedy gave at Wednesday's news conference a good illustration of his perspicacity when he placed in proper perspective all the current talk about the outcome of the 1964 election.

The President put his finger on something which is too often overlooked—the difference between the seeming personal popularity of a candidate and his real popularity based on actual achievements in public office. For it doesn't follow that a man who is well liked or makes a spectacular campaign will necessarily win. In 1920, for instance, the Democratic nominee, James M. Cox—who had sreved as Governor of Ohio for three terms—was an excellent public speaker and made a good appearance on the stump. In fact, he campaigned from coast to coast while his Republican opponent, Senator Warren G. Harding, spoke from the front porch of his home in Marion, Ohio, and left his residence only two or three times for 1-day trips to make speeches. Yet Mr. Harding won an overwhelming victory.

The lesson of that campaign has been emphasized often since—that economic conditions are paramount. Such issues are reflected as the people vote against an administration or party in power. They did this in 1920 when they voted their resentment against a disrupted economy and blamed the Democratic administration for entering World War I after having won the 1916 campaign on a platform of "peace and prosperity." The same thing—economic discontent—caused the Hoover defeat in 1932.

President Kennedy rightly stresses the peace issue as well as the economic issue, and wisely points out that it will be easier to judge the outcome of the next presidential campaign in the summer and autumn of 1964 than it is today. He said to his news conference:

"I think we ought to make a judgment on that in 1964. * * * A lot of these matters we will have to decide—whether the United States is better off economically than it was before, and whether our position in the world has improved, and whether our prospects for peace are greater, and whether our defenses are stronger, and whether we are making progress at home and abroad. That is a matter which, it seems to me, will be argued very strongly in 1964. For example, we can't make a judgment about the state of the economy in 1964. I think if they pass our tax bill, we are going to be able to demonstrate a very successful, buoyant economy for a period of 4 years. If they do not, we will have a different situation.

"I cannot tell what our relations will be in southeast Asia a year from now. I know what results our policy is attempting to bring. But I think that result ought to be judged in the summer of 1964 and the fall of 1964, and I have hopes that the judgment will be that the economy is moving ahead."

What the President said is a sound analysis of the present situation. The same yardstick has been applied again and again in the past by this correspondent in evaluating public sentiment and in predicting the outcome of presidential campaigns.

Mr. Kennedy is well aware that employment and business are not booming in all areas today and that, in some of the pivotal States, emotional issues—such as the race controversy—as well as pocketbook issues may cause him to lose electoral votes. That's why he says candidly:

"I would say we are going to have a hard, close fight in 1964, but that has been my impression for a good many months."

Mr. Kennedy also said that he believes Senator GOLDWATER could win the Republican presidential nomination, but that the Arizona Senator "has a long road to go" and has a "trying 7 or 8 months which will test his endurance and his perseverance and his agility."

There is always a chance that a slip of the tongue may turn the tide against any candidate in either party. Right now, for instance, President Kennedy himself has cause for concern about a slip he made in his impromptu remarks at his news conference of September 12. It already has had political repercussions. In discussing in general terms the future of the racial problem in America, he declared:

"So I would say that over the long run, we are going to have a mix. This will be true racially, socially, ethnically, geographically, and that is really, finally, the best way."

Critics are beginning to ask in letters from different parts of the country whether Mr. Kennedy was indorsing the doctrine of racial intermarriage. Unquestionably, this kind of an issue can be embarrassing in a political campaign. So it is likely that the Democrats will have their troubles, just as will the Republicans, and both candidates will have to demonstrate their agility.

As for a dark horse in 1964 on the Republican side—or even a light horse, in which category former Vice President Nixon is often mentioned—there is no definite trend as yet. Unless Mr. Nixon becomes an active candidate long in advance of the national convention, which seems unlikely, the Republicans will turn to him only if a stalemate develops between GOLDWATER and Rockefeller forces, with combinations of favorite sons from various States holding the balance

of power, as often happens in national conventions.

I leave it to your judgment as to whether this is a distortion—whether the intent has been changed. I think it has not.

I do not bring this matter up for any discussion of the content of the President's statement. Whether we agree or disagree with the President's position is for our own conscience. However, I am confident none of us desires to see increased Government power by an ever-increasing Federal bureaucracy used to prevent the dissemination of something because of political considerations. If the statement was a slip of the tongue by the President, as indicated by David Lawrence, the President can correct the statement by so indicating.

The Gruening Report

EXTENSION OF REMARKS

OF

HON. MAURINE B. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, October 31, 1963

Mrs. NEUBERGER. Mr. President, Senator ERNEST GRUENING, our distinguished colleague, has reported to the Senate Committee on Government Operations on his trip to 10 Near East countries. A condensation of this report appeared in Near East Report, with significant quotes from the Senator from Alaska on his observations.

I ask unanimous consent that this article be printed in the RECORD.

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

THE GRUENING REPORT

Senator ERNEST GRUENING, Democrat, Alaska, has presented the Senate Committee on Government Operations with a thorough-going 472-page report on U.S. aid to 10 Near East countries. The report, resulting from a 2-month tour of Turkey, Iran, Syria, Lebanon, Jordan, Israel, Greece, Tunisia, Libya, and Egypt last winter, was prepared with the help of Senator GRUENING's legislative assistant, Herbert W. Beaser. It reflects the Senator's experience as a former newspaperman and editor of the Nation.

Along with scathing criticism of U.S. aid practices, the report abounds with constructive proposals for reform. It serves as a handbook on U.S. aid: whether it should be continued; how it can be improved; why it must be improved.

NEW LOOK AT EGYPT

Many visitors to Cairo return singing praise for the graciousness and gallantry of President Nasser. Not so the Senator from Alaska.

"As I stood * * * watching preparations for a major speech by Colonel Nasser * * * and saw the multitude of large posters bearing his picture and I later heard his speech with its slogans and stirring platitudes, I * * * felt that all it would take to have that government become a Communist bloc nation would be to add a few slogans and change a few pictures."

It was clear to the Senator that (1) Egypt has become a "socialist police state"; (2) Nasser seeks "his own personal and Egypt's national aggrandizement, in that order", and (3) "U.S. dollars are enabling Egypt to wage war in Yemen, to foment trouble in Jordan and Saudi Arabia, and to arm to attack Israel just as surely as though they were spent directly for that purpose."

Senator GRUENING challenged U.S. aid to Egypt, charging our State Department has misjudged Nasser's intentions. He condemand the "current official suggestion" that Nasser does not really mean his deadly threats against Israel and that Nasser's radio does not really mean to beam violence and revolution into the hearts of the citizens of Jordan and Saudi Arabia.

The Senator took Egypt's ruler more seriously. "Nasser's radio," he wrote, "* * * is the only radio preaching the violent overthrow of other governments."

U.S. AIDers not only disregard this situation, they abet it. Over one million dollars has been obligated through fiscal 1963 to help Egypt build a Telecommunications Research and Training Institute.

RUSSIA AND EGYPT

"When I spoke to Colonel Nasser," writes GRUENING, "he stated that after the poor showing made by his soldiers against the English, French, and Israelis, his officers had demanded that he accept the offer of Soviet arms."

Thus, Nasser seemed to expect a U.S. Senator to believe that he, the hapless dictator, was forced by his mortified army to become totally dependent on military aid from the Soviet Union. Obviously, he felt that, no matter how clearly he reveals himself as an expert cold war fence-sitter, the U.S. would accept his explanations. Senator GRUENING did not.

SIDE EFFECTS

These are the side effects of U.S. shipments of Public Law 480 food, mainly wheat, to Egypt:

Nasser can divert labor and resources from Egyptian wheatfields to Yemeni battlefields.

Egypt can continue growing cotton to trade for Russia arms.

Other Near East states, usually prone to use U.S. aid to better effect, are forced to divert needed resources for coequal military development with Egypt.

GRUENING points out that if Nasser does not receive U.S. wheat, he will either have to grow it himself or import it from another country. It would be difficult to find a country with wheat in sufficient surplus to feed all the Egyptians who survive on U.S. shipments. Thus, GRUENING felt that the United States could exercise real influence over Nasser by means of our aid, and he postulated two conditions for its continuation:

"1. Egypt's prompt compliance with the terms of the U.N. settlement of the Yemen dispute;

"2. Egypt's reversal of her present armament policy so as to cease production of missiles, warplanes, submarines, and other implements of war clearly designed for aggressive purposes."

PAT ON THE BACK

GRUENING was kinder to U.S. AIDers in Jordan. With U.S. assistance, King Hussein has instituted social, agrarian and administrative reforms. By 1967, Jordan expects to increase gross national product by 60 percent, reduce foreign trade deficit by $33.6 million, increase employment by 21 percent.

But GRUENING had reservations. We support development of Jordan's tourism without encouraging her to admit thousands of tourists who visit Israel every year. These tourists, potentially a substantial source of revenue, are barred once they have set foot in Israel.

LEBANON AND ISRAEL

With her high literacy rate and stable government, Lebanon has successfully utilized U.S. aid. Senator GRUENING commented that because of her farflung trading interests, her support of the Arab boycott stems more from "the profit motive than * * * feelings of Arab unity."

But, the Senator argued, like any country whose major stock is in trade, Lebanon has everything to lose from war.

"What has been said about the success of the AID program in Lebanon," GRUENING wrote, "can be said to an even greater degree of * * * Israel." In Israel, AID found cooperative officials, enthusiastic public and a national willingness to provide counterparts, in effort and personnel, to the U.S. contribution.

ECONOMIC VIEWS

GRUENING feels that countries like Lebanon and Israel, which encourage private business, are more likely to utilize U.S. aid in the spirit in which it is given.

He also felt that AID officials were trying too many projects in too many places and too often, simultaneously. To his mind, many projects initiated to stimulate economic diversity will fail because the recipient country is not prepared to follow through with them. He recommended that AID take inventory of its projects with a view to cutting their number.

NEAR EAST PEACE CORPS

The Arab refugee situation, to GRUENING, is an economic and social rather than a political problem.

"I think one of the greatest mistakes * * * was to establish an international agency staffed primarily with locally recruited personnel * * *. Most of these locally hired employees are themselves refugees. The feeling still generally prevails among the refugees and the leaders of the Arab nations that any economic rehabilitation and integration * * * would be a weakening of the political strength of the movement to return to what they still consider Palestine. Thus economic rehabilitation has been resisted by the refugees."

Louis Farina Honored

EXTENSION OF REMARKS

OF

HON. ROLAND V. LIBONATI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. LIBONATI. Mr. Speaker, one of the most popular young Italo-American leaders of Chicago was honored with a plaque "Testimony of Merit" presented by Monsignor O'Malley, dean of Loyola University. The banquet was attended by 2,000 persons of Italian extraction and their friends, who were gathered together to raise funds for the Cardinal Stritch School of Medicine, Loyola University.

It was under the persistent leadership of Mr. Louis Farina that young political leaders of South American countries were approved by the State Department and the administration on an exchange basis. He received the congratulations of many important leaders in government both here and abroad for the realization of the plan of Operation Friendship. He also sought to interest the Eisenhower administration in a program, later adopted by the Kennedy administration—the Peace Corps.

And so our good friend presently superintendent of Chicago Bureau of

Parking whose ingenuity has solved many of the intricate problems in this field of responsibility (especially the collection of millions of dollars) has deservedly been the recipient of a high honor from Loyola University for his conscientious effort to raise moneys for a most worthy cause—the finances needed by the Cardinal Stritch School of Medicine of Loyola University.

Newspaper Week: Reminder of Journalistic Career of Nicola Lo Franco

EXTENSION OF REMARKS

OF

HON. ROLAND V. LIBONATI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. LIBONATI. Mr. Speaker, the recent directive by the President declaring the week of October 13 as Newspaper Week, recalls to my mind the distinguished journalistic career of Nicola Lo Franco—deceased—director of L'Italia, the Italian newspaper of Chicago, founded in 1886. His son, the talented journalist and attorney, Ari Lo Franco, succeeded his illustrious dad as editor and publisher upon his death, November 11, 1951, Armistice Day.

It is proper and fitting that Nicola Lo Franco, on the 12th anniversary of his death, receive this fitting tribute for his untiring efforts in behalf of his fellow countrymen to advance their social, economic, and political status through brilliant editorials stimulating and exhorting greater Italo-American accomplishments at every level of American life. He was a vibrant fighter in defense of Italian leadership whether it be in politics, labor or business. The logic of his writings in answer to the prejudicial forays emanating from the American press were irrefutable, and informative articles depicting their contributions to the strength and sinews of American industry, many of which appeared in the American press.

Nicola Lo Franco enjoyed the close companionship of the leaders active in Italian affairs. And so he practiced his profession in possession of reliable information. Although he was a fine writer, his greatest attribute was knowing and evaluating men and understanding fundamental issues. He was a student of the life of the Italian community. He never acted on a rumor—just wrote a story coming from reliable sources, and kept the rule of confidence whether the information was on or off the record.

Nicola Lo Franco played an important part in the molding of the Italian-American image in the State and Nation. His association with all types of humans gave him an insight into judging these worthwhile men and issues to pursue and to recognize the phony shams and sordid aims of ambitious leadership promotion. He knew all men in their false disguises and their secrets and made himself more or less serviceable—getting in exchange a reporter's advantage—advance information for a good story.

He was loyal to his friendships and could recognize some good in every man regardless of the public acceptance of the individual. At heart he was a happy man, although few persons ever witnessed any outburst of his reaction to humor. And let us remember that the life of a newspaper correspondent in the early days was not an experience to gloat over—long hours, short pay. Also, the sadness of his early life in Italy—being a freedom fighter for the rights of the individual was no picnic. He had to play a hide-and-seek game—with the odds all against him. Naturally, an individual living under these critical social conditions develops a personality seeking the shadows of silence and its somber influence upon the character of a man.

Nicola was a genius of his time in the early years of ethnic journalism—he enjoyed the confidence and appreciation of the Italo-Americans in Chicago, and its environs. Any other man would have been a cynic under the conditions that he found in his work. But he believed in human nature and found real leadership and helped develop those men whose names he made immortal, never to die in the history of the Italian colony in his city. He has left us as of yesterday in keeping alive through his writings the old traditions of our people and their leaders—the pioneers of Italian stock that have contributed so much to the advance of the new generation of Americans to carry on in their stead for a greater America.

Nicola, not forgotten, lies restfully in the moss-covered marbled sacred acreage knowing he left a worthy offspring in Ari—who carries on in his father's tradition—respected and admired.

An Economic Miracle in West Virginia

EXTENSION OF REMARKS

OF

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. HECHLER. Mr. Speaker, 10 years ago, Ravenswood, W. Va., was a struggling little rural town with scarcely over 1,000 people. Located on the Ohio River, 30 miles south of Parkersburg, Ravenswood was on an unpaved road, somewhat isolated from the mainstream of activity.

Between Pittsburgh and Cincinnati, many miracles have occurred along the blue ribbon of the Ohio River which winds through the hills and lowlands of West Virginia. One of these miracles has taken place at Ravenswood, W. Va., since 1954 when the Kaiser Aluminum & Chemical Corp. decided to locate a huge plant in the area.

Why did Kaiser choose West Virginia? Cheap power was available close to where the coal is mined. Transportation was good and the plant site was easily developed. The human factors were important: manpower was obtainable in great quantities and proved to be easily trainable. West Virginians appreciate their jobs, and proved that they could learn quickly on new jobs.

On February 15, 1955, ground was broken near Ravenswood for the giant Kaiser plant, 1 of 32 plants which have enabled Kaiser to become the second largest aluminum producer in the Nation. The Ravenswood Works represents a capital investment of about $200 million, and employs some 3,000 people. The operation includes a reduction plant and also a fabrication plant or rolling mill.

From Jamaica in the British West Indies, bauxite is shipped to Louisiana where it is processed into alumina, and then 600 million pounds of this material is sent northward to West Virginia. There, through the electrolytic process, molten aluminum is produced at the Ravenswood reduction plant. In the fabrication plant, up to 300 million pounds annually of primary aluminum is rolled into sheet, foil, and plate products.

It takes a lot of electric power to run the electrolytic aluminum process, and over 300,000 kilowatts are used from the Appalachian Power Co.'s Philip Sporn plant. I should mention also that the alumina hauled from Louisiana to West Virginia is transported in big aluminum tank cars being manufactured by ACF Industries in Huntington, W. Va.

What happens to an area like the mid-Ohio Valley when an economic miracle like the Kaiser plant springs up in Ravenswood? The 3,000 men and women employed at the Ravenswood Works draw a payroll of $21,114,000 annually. This provides a major boost for Jackson County, once primarily an agricultural county.

A housing boom hit the area. To take care of the huge influx of workers, there was a burst of private construction activity. The Kaiser officials decided at the start that whatever happened, Ravenswood was not to grow into a company town. Housing was developed by private interests on the outside, dealing with individual employees.

As the hordes of young employees came into the area, a school problem was created—particularly at the elementary level. The problem was so acute that it could not wait for local levies and other action to solve it. Kaiser built a 20-room elementary school, and for $1 a year the school was leased to the Jackson County Board of Education. But in 1963, the problem at the high school level remains severe. There have been cases where highly qualified employees find it necessary to go elsewhere to get improved schooling for their children in an age when education is highly competitive.

In a recent address before the Rotary Club of Charleston, W. Va., Henry E. Cunningham, eastern regional public affairs manager of Kaiser Aluminum & Chemical Corp., cited the following statistics on economic development in Jackson County, W. Va.:

The basis of economic growth is jobs. According to a report by the Appalachian Power Co., there were 50 manufacturing employees in Jackson County during 1955. By 1960 that figure had risen to 3,112 and today it is slightly more than that. Total employment

in 1960 was 7,230 compared to 4,650 during 1950. We have no figures for 1962 but believe it to be somewhere in the neighborhood of 8,000.

In 1955, those 55 employees were making a total of $10,833 a month. Five years later, in 1960, the monthly manufacturing payroll had risen to $1,761,300 and today it is probably slightly more than that.

The jobs and resulting payrolls caused a fantastic jump in per capita income in Jackson County. In 1950, per capita personal income was $949. By 1960 it was $2,348. Today it is even higher. The percentage increase from 1950 to 1960 was 147 percent.

I think it is interesting to note that in 1950, 65.1 percent of the families living in the county had an income of less than $2,500. Today that figure is just under 10 percent. All because of the impact of industry.

Of course there was an increase in population. In 1950 the county boasted 15,299. At the end of 1960 the number of inhabitants had increased to 18,541. Today it is probably pretty close to 20,000. Ravenswood has about 4,200 residents and Ripley follows with some 3,400.

This new population creates effective demand. Demand for all things needed to enjoy life.

Let me cite some examples:

In Ravenswood alone, 348 new homes were constructed between July 1955, and the end of 1962. That does not count two apartment complexes, one having 94 units and the other 56. These houses represent those new homes built inside the corporate limits. There is new construction going on all over the county in new subdivisions as well as in the other villages and towns.

Telephone customers increased from 1,667 in 1955 to some 3,470 in 1960 and I am sure is well over that figure today.

Gas customers jumped from 1,840 in 1950 to 2,754 in 1960 and, of course, is still climbing.

The number of electric residential customers has increased from 2,732 to 4,574 between 1955 and 1960 and is increasing as each new home is constructed.

Retail sales enjoyed a substantial increase. During 1955, all retailers in Jackson County had sales totaling $6,431,000. During 1960 that figure had jumped to $13,399,000. That is an increase of 108 percent. Exact figures for 1962 are not yet available but will, I am sure, reflect further increases.

I think it's significant that several new retail establishments have opened in the county, the most striking being a 10-unit shopping center in Ravenswood.

Other related businesses have been affected beneficially through the advent of industry.

The average monthly railroad carloadings has increased from nothing in 1950 to 183 in 1960 and even more today. Average monthly truck loadings has increased from nothing in 1950 to 464 for the first quarter of this year.

Pulpwood production increased from 71 cords to 1,746 from 1950 to 1960. And the annual production of lumbering has increased from an insignificant figure in 1950 to some 45,000 to 50,000 board feet today.

And finally, wholesale establishments increased from 7 in 1950 to 15 in 1960.

In the area of community facilities, there has been improvement. The number of churches grew from 92 to 101 during the 10-year period and a few more have gone up since.

The miles of paved road have increased from 88 to some 159 miles.

At the present time, a 3-story addition to county court house in Ripley is nearing completion; and ground will soon be broken for a new 41-bed hospital in the county seat town.

But while great strides have been made, many things must yet be accomplished if we are to make true progress.

One of the great problems still facing the county is its school system. The significance of a good school system to the economic climate of an area can not be overlooked or overemphasized.

Growth and improvement mark the public school system in Jackson County during the past 10 years. Enrollment, at 5,015, is up 45 percent. Achievement test results show county norms up an entire grade level, bringing the county up nearly to State levels but still a full 1 year below national norms.

The foregoing is rather remarkable since it has been accomplished during a period in which increases in local county financial support have not kept pace with that of other counties in the State and with the Nation.

Jackson County spending, at $226 per pupil, is up $44 in the last 10 years. Statewide spending, at $304, is up $131 over the same period. The national average is $394.

Our objective at Kaiser Aluminum is to work with the citizens of our county to improve this school situation, knowing full well that the lion's share of the price for better schools will be paid by industry.

The Area Redevelopment Administration in conjunction with the use of Hill-Burton funds have teamed up to help solve the problem of medical service in this fast-growing area. A new hospital is being constructed at Ripley, W. Va., thanks to sizable Federal grants and also contributions by workers and management at Kaiser.

During the past year, the accelerated public works program has brought great benefits to both Ravenswood and the Jackson County seat town of Ripley. A Federal grant of $117,000 has resulted in a $234,000 project which has enabled the old section of Ravenswood to resurface all its streets. A Federal grant of $67,000 will be matched to produce a $134,000 project for resurfacing the streets of Ripley. A $20,000 Federal grant will be used to build a fishing lake just north of Ravenswood at Turkey Run. A grant of $43,700 will be matched locally to build a water tank to improve Ripley's water resources.

All of these accelerated public works grants have enabled the two main communities in Jackson County to engage in some active face lifting which will produce permanent improvements.

The economic miracle in West Virginia is just beginning. The tremendous boost given by Kaiser can only result in a bright future for the area.

Flagrant Abuse of REA Loans

EXTENSION OF REMARKS

OF

HON. ROBERT T. McLOSKEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. McLOSKEY. Mr. Speaker, I would like to call attention to an article by Joe Fisher which appeared in the Rockford Morning Star on October 16, 1963. Mr. Fisher points out the flagrant abuse of REA loans. New restrictive legislation is sorely needed to spell out the intent of the Congress.

I want to commend my colleague, BOB MICHEL, for bringing to light recent loans made by REA for ski resorts and include his complete statement.

The article and statement follow:

MICHEL QUESTIONS LEGALITY OF REA SKI RESORT LOANS

(By Joe Fisher)

WASHINGTON.—Representative ROBERT H. MICHEL Tuesday challenged the legality of Rural Electrification Administration loans for ski resorts, lumber mills, and for other business and commercial purposes.

The Peoria Republican said the loans "are not authorized by law and are about as far afield as it is possible to go from the original intent of Congress in enacting the Rural Electrification Act of 1936."

Earlier in the day, REA Administrator Norman Clapp defended two loans for ski resorts in Pennsylvania and northern Illinois.

TO JUSTIFY LOAN

Clapp appeared before the House Agriculture Subcommittee on Departmental Oversight and Consumer Relations to justify a recently approved $110,000 loan for a ski resort on Blue Knob Mountain in Pennsylvania.

Last year, the REA approved a $23,000 loan for ski equipment for Chestnut Hills Resort, Inc. The Illinois ski resort is between Hanover and Galena.

MICHEL, who was scheduled to testify at the subcommittee hearing, was unable to attend because of other committee business. He submitted his statement to the subcommittee later in the day.

Clapp said the loans for the ski resorts were authorized under section 5 of the Rural Electrification Administration Act.

That section empowers the REA Administrator to make loans for "financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment."

MICHEL said ski lifts are not agricultural implements for farm use. He said the attempt to justify industrial and commercial loans upon the definition of persons is contrary to the act.

PROPAGANDA LINE

The Illinois Congressman said Clapp's justification for the loans followed "the usual REA propaganda line" and represented "strained, tortuous, and patently incorrect interpretations of the organic legislation which governs the activities of his agency."

In the last 2 years, Clapp said section 5 loans have totaled about $4.4 million. Of that total, he said, the REA had approved 13 loans for $1.4 million for industrial and commercial purposes.

The loans are made by the REA at 2 percent interest to local rural electric cooperatives. The co-ops then relend the money, usually at 4 percent interest rates, to industries they serve. The higher interest rate is justified, Clapp said, to cover the cost of underwriting the loan by the co-op.

While Clapp told the subcommittee "we feel we are proceeding in line with the overall intent of Congress," he admitted there was "a considerable difference of opinion" on section 5 loans.

Representative CHARLES HOEVEN, Republican of Iowa, warned Clapp he was "going to be confronted with legislation" unless the intent of Congress was followed.

MICHEL also raised the threat of new restrictive legislation for the REA.

"Congressional committees and Members of Congress have warned Mr. Clapp repeatedly about going too far afield with his snow-making loans, and Mr. Clapp has been put on the alert that the law not only may be rewritten but will be rewritten to put an end to the agency's abuses of the authority vested in it by Congress," said MICHEL.

Senator JOSEPH CLARK, Democrat, of Pennsylvania, submitted a statement defending the loan for the Pennsylvania ski resort.

CLARK said the potential for economic development in rural areas lies in new fields. He said while the potential varies from county to county, in some locations tourism and recreation "can be developed as a viable enterprise providing substantial employment and opportunities for additional investment by farmers and rural businessmen.

ILLEGAL REA SKI LOANS GO FAR AFIELD

WASHINGTON, October 15.—Representative ROBERT H. MICHEL, Republican, of Illinois, charged today that Rural Electrification Administrator Norman Clapp is making illegal loans for snow-making equipment, ski lifts, lumber mills, knitting machines, and other business and commercial purposes. He said that "loans for these purposes are not authorized by law and are about as far afield as it is possible to go from the original intent of Congress in enacting the Rural Electrification Act of 1936."

Representative MICHEL asserted that Mr. Clapp's attempts to justify such actions follow the usual REA propaganda line and represent "strained, tortuous, and patently incorrect interpretations of the organic legislation which governs the activities of his Agency." The Illinois Congressman's statement was made in the wake of hearings by a subcommittee of the House Agriculture Committee on a loan of $110,000 made in August to the Valley Rural Electric Cooperative, of Huntingdon, Pa., to help finance development of a ski resort by the Blue Knob Development Corp., of Altoona, Pa.

"Against the advice of its most devoted friends and avid supporters in the Congress," Representative MICHEL said, "the REA since 1961 has been pushing a rural industrialization program through its section 5 loan program under the act. Congressional committees and Members of Congress have warned Mr. Clapp repeatedly about going too far afield with his snow-making loans, and Mr. Clapp has been put on the alert that the law not only may be rewritten, but will be rewritten to put an end to the Agency's abuses of the authority vested in it by the Congress."

"The Administrator apparently contends," said Representative MICHEL, "that the use of the term 'person,' as that word is defined in section 13 of the act, authorizes the making of section 5 loans for commercial and industrial purposes. The use of 'person' in section 5 defines the beneficiaries of the loans but does not purport to explain the purposes for which such loans may be made. Section 13 defines 'person' as 'any natural person, firm, corporation, or association,' and each of these entities may be a beneficiary under a section 5 loan. But this does not mean that such loans may be made for any purpose which a person, firm, corporation, or association may be authorized to operate."

Under the "strained" interpretation by REA, a loan may be made to a corporation for any corporate purpose because it is a person as defined in section 13. The function of section 13 is to define terms as used in the act, and it cannot be used as the basis for broadening the basic purposes for which section 5 loans may be made.

"The legislative history clearly shows," he continued, "that section 5 loans were to be made for wiring homes, and for the purchase and installation of electric and plumbing appliances and equipment for home and farm use." Ski lifts are not agricultural implements for use on the farm. The attempt to justify industrial and commercial loans upon the definition of "person" is contrary to the act, the legislative history, and the interpretation by REA from the passage of the act until July 11, 1961, when the administrator illegally attempted to expand the scope of section 5.

Representative MICHEL explained that the rural electrification program was conceived in 1936 as a program designed to bring the benefits of electric power to farms and rural residences which at that time were "still in the kerosene lamp age." He added:

"Senator George Norris, one of the sponsors of the original act, said that 'the lending of money for the wiring of houses and the purchase of electric appliances is nearly as necessary as the lending of money for the construction of lines' to bring power to rural areas. But the present Administrator is apparently not bound by either the legislative history of the act or reasonable interpretations of the law which his predecessors have applied to their activities under section 5 of the act. He has his own goal and he seems bent upon achieving it in the face of the history of his own agency and of the expressed warning of the Congress."

That this is true, Representative MICHEL concluded, is seen in the remarks made in Paris just this week by Assistant Secretary of Agriculture John A. Baker. Mr. Baker said:

"The Department can help local people obtain new industry through section 5 loans to rural electric cooperatives. The funds are used locally to provide electrical equipment or service in plants served by rural electric cooperatives."

"If Mr. Baker's interpretation is anywhere to be found in the legislative history of the Rural Electrification Act or in any subsequent acts of Congress which relate in any way to the rural electrification program," Representative MICHEL said, "I challenge him or Mr. Clapp to find it and report it to the appropriate committees of this Congress. If such is a valid interpretation of the law, then the late and much loved Speaker of the House, Representative Sam Rayburn, and a host of friends and supporters of REA over the years have been parties to a 25-year hoax at the expense of the millions of nonfarm people who share the burden of bringing the benefits of electric power to the deserving farmers of America. If this is not a valid interpretation, I leave to the judgment of the public the determination of who is seeking to perpetrate a fraud and delusion on the American people, urban and rural alike."

Representative MICHEL said he may have an additional statement to make after he has had an opportunity to study the statement made today by Mr. Clapp before the House Agriculture Subcommittee in the hearings on the ski resort loan made in Pennsylvania by the REA.

Unemployment: The No. 1 Economic Problem

EXTENSION OF REMARKS

OF

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. McDADE. Mr. Speaker, my able colleague from Ohio, ROBERT TAFT, JR., recently delivered a speech in Philadelphia and I believe it should be brought to the attention of the House and the Nation. The speech is entitled "Unemployment: The No. 1 Economic Problem."

The people of Pennsylvania have been fighting this problem for some time and this is especially true of the people in the district I am privileged to represent, the 10 Congressional District of Pennsylvania. In our State we believe we know something about fighting the problem of unemployment and claim some expertise in the matter. In this spirit and with the hope that Congressman TAFT's discussion of the issues will be widely read and discussed, I present the speech which follows:

UNEMPLOYMENT: THE NO. 1 ECONOMIC PROBLEM

(Remarks of ROBERT TAFT, JR., Congressman at Large, Ohio, to the Union League of Philadelphia)

Recently President Kennedy ventured into deep water by mentioning the possibility of a 35-hour workweek in place of the 40-hour maximum provision presently in the Fair Labor Standards Act. He scrambled back to the beach pretty fast though, and our fearless Jack was so startled at the results that he retreated post haste behind a truly fantastic target date of A.D. 2000. But the sally and the taking cover both reveal the growing importance of unemployment as a major issue on the economic front. Many thoughtful Americans are inquiring as to what steps we should take to correct the unsatisfactory level of unemployment at present and the even more serious threat of its increase in the future. The "Oops, I'm sorry" reaction of the President on the discussion of maximum hours reveals the high degree of sensitivity of the current administration to any general and thorough discussion of this problem related, as it must be, to longer range targets than the next election.

This year's hearings on "Hours of Work" before the Select Subcommittee of the House Education and Labor Committee began with Chairman HOLLAND's statement,

"Unemployment, as President Kennedy has said, is our No. 1 economic problem."

Indeed, such has been the attitude of the administration and its leader since the election campaign of 1960. And yet little if any results can be shown toward solving this problem, or even checking the increase in it. This must surely be because the remedies being prescribed are not sound ones, or that the target is not being given the priority that it should have. Both are probably true. The 1964 election campaign coming up presents to the Republican Party and its candidates an opportunity to see that the American people understand the problem as well as possible and to propose for their consideration a program of more emphasis and direction toward solving it. Here in Pennsylvania I know that your Governor, and my close friend, Bill Scranton is moving with every effort to solve the problem here, and he is to be commended for these efforts. There are many aspects of the problem, however, which are more national than regional in their scope.

Before proposing any solutions, we should take a look at a few of the facts regarding unemployment today. In only 1 month in 5 years has the national unemployment rate been below 5 percent. Indeed, since the Korean war boom tapered off, it is a problem that has been with us almost constantly. At the present time, the rate stands at 5.6 percent in spite of the fact that we have a total civilian employment of over 69 million, the highest ever recorded in our history. The total head count unemployed at the present time is over 4 million. Here in Pennsylvania, as in some other industrial States which have had special problems, the present rate is somewhere under 7 percent and considerably improved from last year.

These figures, however, are not nearly so meaningful as the fact that during the 5 years of 1958 through 1963, we are adding per year approximately 780,000 persons to our labor force, and we have been creating jobs at an average of only 570,000. Based on these figures, the President estimated in 1962 that

we needed to create 25,000 jobs per week. The fact of the matter may be that it is considerably in excess of this. Some of the figures relating to job opportunities eliminated through automation run as high as 40,000 per week, which gives increased emphasis to the necessary expanding job opportunities as quickly as possible. Obviously, then, the boom in population, particularly in the age groups presently about to come into the labor force, is the cardinal fact that we must recognize. Automation itself is, of course, something that must be recognized and must be viewed realistically without alarm, but also without any illusions about the readjustments it necessitates. Anyone doubting this need reflect only on the fact that the man-hours required for various products have changed between 1947 and 1962 as follows:

For an automobile, from 310 to 153 hours.

For 1,000 tons of coal, from 1,300 to 500 hours.

For 1,000 bushels of wheat, from 340 to 120 hours.

For 1,000 tons of steel, from 14,700 to 10,900 hours.

There are certain other major factors that must be given consideration in any approach to the problem of unemployment. One of these is that as a result of educational and job discrimination, a very considerable proportion of the unemployed are Negroes, and this in itself bespeaks the necessity of a fair and effective civil rights bill accompanied by a change in national attitude toward this problem. Another group in which there is an undue percentage of our unemployed is youth under the age of 22. Of course, these figures duplicate in some respect the undue percentage of Negro population, but regardless of this factor, it is clear that somewhere between 700,000 and 1 million out-of-school, out-of-work youth are handicapped in getting jobs by a lack of proper training and a lack of experience.

On the realistic side, we must recognize that we have a large and growing number of chronically unemployed, who are still a part of the labor force but who are conditioning their interest in obtaining work upon unrealistic conditions, and they are satisfied to accept unemployment and public support as a way of life. Some of these, obviously, are unemployable, but we must recognize that many of them are not and that the unemployment compensation and welfare systems that we have developed in this country are being subjected to abuse, hopefully in a small percentage only, but, nevertheless, definitely by this group.

Finally, we must recognize that so-called structural unemployment is a serious and increasing problem, which must be considered. As has been pointed out in a recent book by Mr. Myrdal, and has been emphasized by others, a discrepancy has developed between supply and demand in the labor field. Obviously this is true where we have some 4 million unemployed and some 2 million jobs which are going unfilled, seeking workers.

Against this background on the nature of the problem and recognizing that all Americans share fervently the desire to solve it, we should recognize the difference in the general philosophy of the Republican and Democratic Parties as they approach a solution. The New Frontier solution seems to lie principally in two areas. First, in spite of the rather high level of economic activity in the country at present and the favorable signs other than the unemployment situation, the New Frontier is urging an attempt to soup up the economy generally by a massive dose of deficit spending. While lipservice has been given to the idea that the stimulation must come from a tax cut, it has been quite clear from the outset that the true reliance of Mr. Walter Heller and other advisers to the President has been upon a massive deficit. If this deficit could be achieved through a tax cut, they have expressed hope that this might add somewhat more to the stimulation to the consumer and business investment factors in the economy, but they have made it clear from the outset that if the tax cut approach doesn't work, they will rely on greatly increased Federal expenditures. In fact, in their recommendations for greatly increased area redevelopment funds, the adjustment payment features of the Trade Expansion Act, and the accelerated public works bill, one may wonder whether their primary reliance even today is not upon increasing Government expenditures behind the smoke screen of a tax cut that for the average taxpayer may not amount to more than pin money of under $5 per week. Primary emphasis on such attempts to stimulate the economy colors the approach of the administration to almost all other Federal programs, including those which are intended to be rifle shots aimed at the specific problems thought to be behind the unemployment situation.

On the other hand, the approach of Republican leadership toward unemployment has been a consistent one over a period of years. Back in 1959 I served as a member of the Republican Committee on Program and Progress, which studied and commented on this aspect of our national economy. In part, we stated at that time:

"The history of technological change shows that science has created—not diminished—new job opportunities, higher pay, better working conditions and more goods for our people at less cost."

We continued, indicating that it was the duty of all citizens to keep up with changing technology and to adapt to changing conditions, as well as helping each other to adjust a change. We pointed out that by 1976 we would have to have close to 95 million people gainfully employed to provide for a total population of somewhere around 240 million. We urged State and local agencies to cooperate with the Federal Government in helping areas of chronic unemployment and in finding productive uses for displaced men and plants through training and retraining programs and through better dissemination of information about job opportunities and unemployment. We also pledged ourselves to the encouragement of fair employment opportunities for all, without discrimination on account of race, age, or any other factor. Consistently, with these objectives, we have supported training under the Manpower Development and Training Act and the vocational education bill. At the same time, we have recognized that if such programs are to succeed, our economy must be kept healthy by fiscal responsibility in aiming toward a balanced budget and in maintaining the confidence of all Americans that we will not be ravaged by inflation and that we are not threatened by a loss of our economic freedom.

In addition to these philosophic differences between the approach of the parties to the unemployment problem, there are other complicating factors in the Kennedy approach to it. For one thing, no priority is given to the problem over certain other areas. There are so many different programs and approaches that all is inclined to break down in confusion. There are numerous specific examples of this.

One program, for instance, which has come under a good deal of examination by the current Congress, is the area redevelopment program. Enacted by the last Congress and given a budget of $379 million, inquiries at the beginning of this session showed that only one-quarter of the appropriated funds had actually been spent and that of those spent, a great deal had been put into projects not normally thought of by the Congress as job-producing activities. Moreover, the total number of areas that had been qualified for aid was so excessive that it was obvious no real effort was being put into the hard-core unemployment areas. In the industrial and commercial loan authorization, over a quarter of the approvals had been for the building of hotels and motels, not the type of project which Congress had in mind in attempting to solve the unemployment problem. Even at the present time, after a considerable period of operation, the maximum number of permanent jobs claimed to have been created by the program is 60,000, and an examination of these claims revealed that they were, at best, conjectural and in many instances greatly exaggerated through attribution of indirect claimed effects.

Not much better can be said of the accelerated public works program, where the temptation to interject politics into the approval of local projects such as sidewalks seem hardly related to any permanent creation of jobs.

Another program, which should be reviewed carefully with regard to the whole problem of unemployment and which seems to threaten seriously any improvement in the employment picture in the United States in the near future, is the Trade Expansion Act of 1962. As you will recall, under that measure, the President was given the authority to lower almost all of our tariffs, some by up to 50 percent, but most by up to 100 percent. Acting under that authority, the President has just last week, on October 18, given notice of his intention to act to reconsider tariffs on almost all products covered by our tariff laws. The breadth of this approach should serve as notice to the country that broad-scale tariff reductions, with the resulting maladjustment to domestic industry, must be expected. Safeguards of the peril point and court review have been removed. While there is the possibility that adjustment payments to companies and employees displaced may be made, in the present period in which we are running at a sizable deficit in our overall operations, such payments would further increase the deficit and injure the confidence of American business. About all that can be said on these hearings is to warn all concerned that if they wish to protest or be heard as to tariff reductions, they must file their notice by November 20, a very short period into the future, and they had best prepare immediately to defend any justification they expect to make of present tariffs. This is in spite of the fact that the United States already has the lowest tariff rates of any nation in the world and that imports in recent periods have upset American industry and caused job losses without giving any effect to the new authority. Indications that we are already in a state of maladjustment because of automation and other factors are apparently being ignored, and it is hard to see how unemployment levels can be improved in the foreseeable future by the activities expected under the Trade Expansion Act. Increases in world trade may, and should help to build our economy. We might have more confidence in this, however, if there were indications that the motivation of those in control was to do the best possible for American business rather than to use trade as an international grab bag in an attempt to buy friendship, not only from free nations, but also from many nations that seem headed in the direction of communism, or are already Communist.

Another area for concern in regard to future employment developments is the whole area of balance of international payments. Our tax laws and various other features have encouraged a flight of capital from the United States in recent years, and this has definitely resulted in the creation of jobs abroad and the loss of jobs that might have been created through expansion of

American industry here. After these foreign plants are set up, they are then used to compete with industry here at home, and this has a further discouraging effect upon our economy and job creation.

No discussion of this area could omit a consideration of restrictive labor-management policies and practices such as restrictions upon union membership, apprentice opportunities, make work, unrealistic security provisions, and fringe benefits, which because of their lack of transferability, often freeze workers into particular areas and particular employments.

Then, too, we must be realistic enough to admit that our unemployment compensation laws in the States in which they are more liberal, as well as the various welfare programs, have had the effect with some of decreasing the desire for employment. This has tended to prevent initiative in moving to new locations and new occupations. Particularly, it has had the result of leaving unfilled job opportunities of up to 2 million. While some of the present want ads can be attribued to a lack of training, certainly not all of them can.

All of these conflicting programs and considerations paint a somewhat dismal picture. Certainly we should not close without making some restatement of the position we Republicans should offer as an alternative to the bungling and the crosscurrents presently in operation. With this in mind, I have several recommendations to offer, a few of which are new, but all of which are probably important. They are as follows:

1. We should back and make sure that effective effort is put into the administration of the various training and retraining programs such as the Manpower Development and Training Act and the various State vocational education programs as supplemented by the additional Federal funds expected to be authorized for them. These programs, I am sure, will require supervision and flexibility to avoid waste in time and effort as well as money.

2. As proposed by Congressman FRANK BOW and many others, the Congress should set up a select committee on automation, bipartisan in nature and directed toward coming up with answers as to how automation can help to create jobs as well as eliminate them. Realistically here, we have to admit that we must not block progress, but by sales engineering and imagination, we should be able to make progress. Certainly no one can say that America is yet in the position in which there is no need for better conditions of life for all of us in this country, not to mention the almost limitless worldwide needs.

3. We must attempt to cultivate new attitudes toward easier adjustment to new locations and new occupations. Incidentally, the manpower bill, as reported by the Education and Labor Committee of the House, contains a grant for pilot studies on increasing labor mobility by sharing moving expenses. Prejudices and problems in this connection exist and should be better understood.

4. Both in the United States, but even more throughout the world, man must come to a better understanding of the population problem that has been created by improved medical care and additional living resources.

5. We should at least inquire as to whether or not we might encourage an increase in single-worker families rather than families where the economic circumstances or other considerations lead to multiple employment with undesirable family and social results. Whether this is related to juvenile delinquency and its tremendous increase in recent years should be studied and determined.

6. We must take steps to strengthen the collective-bargaining process and to insure that there is a reasonable balance of power in any such bargaining process between industry and labor. As a part of the same problem, there should be a study of the complications that result both in labor relations and in overall economic effect from nationwide bargaining in transportation and other industries which vitally affect the entire economy. Such a study has been called for in Congress, and, hopefully, the Education and Labor Committee, or some other group, may rapidly proceed with such a study.

7. If we are to face up to the unemployment problem realistically, we had best stop thinking of solving it in the terms of makework projects and one-shot-public-works type projects. There is a place for a proper public works program in this country, but certainly it is no long-term solution to the unemployment problem, and the primary considerations inevitably seem to become political rather than aimed at employment.

8. And then, finally, perhaps the most vital step of all that we can take to increase the rate at which we can produce jobs is to reestablish the confidence of our own people and of the world in our economy. Embarking upon a massive planned deficit program for the first time in peacetime, we face a serious threat of the loss of such confidence. This is evidenced in many ways by the outside world, such as in the unfavorable balance of payments and the continued outflow of gold. But at home, it is evidenced by a failure to expand at what has been the normal rate of expansion of the United States over many years.

Admittedly, these proposals offer no panacea. On the other hand, they do not threaten us as do some of the administration's nostrums with inflation, with increased Government control over our lives, and with makework Government activities on an increasing scale. If we can make clear the choice to the American people, both employed and unemployed, in their commonsense they are sure to turn to sound and responsible leadership and to demand consistent policies in attacking this problem. We believe, and we submit to them, that such leadership and such policies can be found in the Republican Party.

Speech by Senator Len B. Jordan, of Idaho, Before Republican Kickoff Dinner in Fort Atkinson, Wis., October 11, 1963

EXTENSION OF REMARKS

OF

HON. HENRY C. SCHADEBERG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. SCHADEBERG. Mr. Speaker, Senator LEN B. JORDAN, of Idaho, has done the voters of Wisconsin a real service. To be sure, his speech in Fort Atkinson, Wis., on October 11 was delivered at a Republican dinner and was political in nature. But the importance of his remarks to the Wisconsin electorate, irrespective of party affiliation or preference, lies in the clear-cut choice the voters will have at the polls in November 1964, as articulated by the Senator.

Senator JORDAN presented a comprehensive exposition of Republican principles as contrasted with New Frontier Democrat philosophy. I feel privileged to identify myself with Senator JORDAN's remarks and to reaffirm, as I have been doing with word and vote for the past 3 years, my espousal of and adherence to the Republican principles he has so ably set forth.

To bring to the attention of as many citizens as possible the important choice they will be given in the 1964 elections, I place in the CONGRESSIONAL RECORD the aforementioned speech by the distinquished Senator from Idaho:

Ladies and gentlemen, fellow Republicans, I consider it a privilege to be here with you tonight and want you to know I particularly feel at home in a State—like my own—whose name is derived from the Indian language. Wisconsin was certainly appropriately named "grassy place" by the Chippewa. If you ever doubt it, just take an airplane ride over your beautiful State. And the beauty of your farms and grasslands are only heightened by the contrast of your small towns and large industrial cities.

I am not going to attempt to tell you about your own State, but I would like to make a few comments by way of introduction.

Wisconsin is a State of contrasts as far as geographical terrain is concerned.

Wisconsin is a State of contrasts as far as its economy is concerned—your dairy industry, your farms, and your fast-growing industrial centers in your larger cities.

Wisconsin is also a State of political contrasts—and as Shakespeare would say—"Thereby hangs a tale."

Your Governor is a Democrat.

Your other major State offices are Republican and both houses of your legislature are Republican controlled.

Your two U.S. Senators sit on the Democratic side of the aisle.

Six of your 10 seats in the U.S. House of Representatives are held by Republicans while the other 4 are held by Democrats.

Now, this apparent intent by people in Wisconsin not to play favorites to either political party would by itself be interesting enough. But you have not contented yourselves with just about evenly dividing your elected offices between Republicans and Democrats—you have gone one step better.

According to the various evaluations placed upon the Congress by the several organizations—COPE, ADA, or ACA—depending upon which side you sit, you people in Wisconsin have, at the same time, in the same election, on the same ballot, elected some of the most liberal Democrats and some of the most conservative Republicans on the national scene today.

That, my friends, is quite an accomplishment.

I will admit that other States in the Union also seem to have this same ability to some degree—my own State of Idaho included. But I do believe that the people of Wisconsin have hit some kind of high when they can elect four Democratic Congressmen regarded as liberal or ultraliberal while at the same time, in other districts relatively few miles away, men of moderate or conservative philosophy are being elected as Republicans to hold the other six congressional seats.

This is a real puzzler.

There could be—and I am sure there are—many reasons for this.

If asked, each of you here tonight could give me what, in your opinion, is at least one good reason.

So, I am going to take the liberty of giving you what, in my opinion, is the main reason.

Because I have known for some time I would be privileged to be here with you tonight, I have been more than usually interested in what I could read, hear, and learn about Wisconsin and Wisconsin politics.

For that reason, I was particularly interested in a recent poll taken in your State. The poll's seventh question was this—and many of you may have filled it out yourselves—"Do you regard yourself as a Democrat, Republican, or independent?"

Statewide, the results broke down as follows:

37.6 percent of the voters in Wisconsin consider themselves Democrats;

21.4 percent consider themselves Republicans; and

41.0 percent consider themselves independents.

The answers to this seventh question were further broken down into your 10 congressional districts, with the results from your second district quite the same as the statewide percentages.

Your key lies in that last figure—the 41 percent who call themselves independents.

Ladies and gentlemen, for years both political parties have known that they must appeal to and win the independent vote in this country in order to win national elections.

That is not news.

For years it was the growing belief—started with F.D.R.—that to attract the independent voter, politicians had to offer special lures and inducements.

That is not news.

For these same number of years—and I say this with deep regret—it became more and more apparent that the Republican Party followed along on the supposition that this "bribe the people with favors" philosophy—started by the Democrats—was also the path we as a party had to take to get the independent vote.

That is not news.

Equally apparent—to all who bothered to look—was the fact that since the Democrats were past masters at this "giveaway" philosophy, the national Republicans usually came up with what has been referred to as a "me-too" program which was not successful in winning the independents.

That is not news.

But the following is news.

Many people throughout the country more politically astute than I ever hope to be—are sensing the gathering momentum of political change. There is a growing revolt at the grassroots against the duplicity of those political leaders who would bribe you with your own money. There is an increasing awareness that what the people of this country now want is a straightforward, honest American philosophy which would dare to challenge the basic tenets of the New Frontier.

In other words, the people want a choice.

But not a choice between Santa Claus and his No. 1 helper;

Not a choice between how to get more of something for nothing;

Not a choice between candidates who are so much alike you couldn't tell them apart except for the party label.

The people want a clear-cut choice.

Now I don't mean to oversimplify the issue. There are many other aspects that come into choosing a party candidate—is he capable, is he honest, is he well-known, is he articulate, is he this, is he that?

They are all important.

But to my way of thinking, the most important is this: Does his philosophy give the people who will be voting in his city, in his district, in his State, and in the Nation a choice of philosophy?

At this point some of you may think I am advocating that Republicans all over the Nation sit back and size up their Democrat opponents and then come up with a philosophy diametrically opposed to the Democrats.

That is not it at all, and I will explain why.

Since the days of FDR, the national Democrat Party has, as I said earlier, become more and more the party of big government, including more Federal interference, higher spending, larger deficits, accompanied by a rising national debt. These are all symptoms of a headlong gallop toward a welfare state. Of course, as within our own party, there are exceptions. Some Democrats—with true Jeffersonian principles—have not gone along philosophically with their national party. Notwithstanding this split in their own party, however, the New Frontiersmen are impatiently eager to make the Democrat Party a party of liberals.

Because I believe in giving even the Devil his due; however, I must digress at this point to say this:

Yes, by and large, the Democrats are on the left side of center—but the majority of them are still not so far to the left as to advocate—at least openly—what that disillusioned group of Democrat Congressmen known as the liberal project advocated in the pamphlet they sponsored: "The Liberal Papers."

That group, whose chairman was none other than your own Congressman, advocated these things:

(1) Recognition of Red China;

(2) Sponsorship of Red Chinese membership in the United Nations;

(3) Recognition of Red China's claim to Formosa and the Pescadores with a 5-year trusteeship under the U.N. to be concluded by a plebiscite;

(4) Financial aid for Red China;

(5) Demilitarization of the West German Republic;

(6) Recognition of East Germany's puppet regime;

(7) Expulsion of West Germany, Italy, Scandinavia, and France from NATO;

(8) Shutdown of American missile bases in Europe; and

(9) Invitation of Russia to plug in on our bidirectional DEW line.

I again repeat what I just said: The majority of the Democrat Party does not go so far as to advocate these ideas as party line, but the contagion of this radical liberalism has spread. Witness the resolutions passed by the Young Democrat delegations from 13 Western States meeting in Berkeley, Calif., on August 18 of this year.

These Young Democrats passed resolutions calling for:

(1) The United States to resume diplomatic relations with Cuba;

(2) The signing of a nonaggression pact between NATO and the Communist Warsaw Pact nations:

(3) The withdrawal of U.S. troops from South Vietnam;

(4) The abolition of the House Committee on Un-American Activities; and

(5) The repeal of the McCarran Internal Security Act.

Even the President was shocked. At a press conference he expressed general disapproval.

Now, bear in mind, my friends, that these young Democrats are just as vulnerable to the aging process as is anyone else and someday they will be old Democrats, and many of them will hold positions of influence in the party.

So, getting back to my subject, I maintain that it is not at all necessary for Republicans to purposely analyze each Democrat candidate's philosophy in order to come up with a philosophy diametrically opposed. All Republican candidates have to do—and it is as simple as it sounds—is to repudiate the New Frontier philosophy of failure—to espouse a dynamic revival of the ageless principles which made our country the greatest of all—and to apply these principles to the problems of a modern world.

There is no doubt in my mind that the majority of men and women in this Nation are in a conservative mood today. When the pendulum of that clock swings just so far one way, the undeniable rule is that it has to start the swing back to the other side.

The people of this country have seen the grand design of all-powerful Central Government turn into a redtape jungle.

They have seen the social tinkering erode individual responsibility.

They have seen Socialist and collectivist theories turn into open war against business and industry—against the jobs and wages of working men and women.

They have seen radicalism turn into class warfare.

They have seen, just last month, a President who lures votes by asking for a tax cut while stubbornly courting economic disaster through refusal to cut spending.

The conservative mood of America does not ask that both parties promise simply more of the same. The conservative mood demands a choice.

I repeat what I said earlier—the Republican Party must offer that choice—and its principles do offer that choice.

The Republican Party believes in the people of America. It believes they can use the strength and brains that God gave them to handle their own affairs. It believes that when they need help it should be the help that neighbor gives neighbor—not the backdoor solutions that big brother or little brother gives his poor relations.

We do not believe in turning back the clock to the era of the 1930's.

We do, however, believe in turning back, wherever possible and desirable, the responsibilities of home, family, and welfare to the people closest to them, to the skills most familiar to them, to the energies most devoted to them.

The Republican Party believes that Government is the servant—not the master. It believes that the job you have and hold, that the money you earn, save, invest, or spend, is the first order of business and that Government's job is to protect those things—not take them over.

But what do those advocates of big Government in Washington say about this? What do the Democrats say?

They say Republicans are devoted more to property rights than to human rights.

This is not true.

The Republican Party believes that only humans can have property rights. And we believe that people should have both human rights and property rights, and that the government which destroys either one of those rights must destroy both in the process. We believe that as a government feeds on the property of men it also feeds on the freedom of men.

Our Government was instituted to assure order among the people—not to own the people—or their property.

We Republicans believe in a constitutional tripartite system of government; in a Congress that speaks for all the people; in an executive branch that serves all the people as an equal partner—not a ruthless boss; and in a judicial branch that also is equal and independent—that interprets laws but does not make them.

The Republican Party believes that the security of our country in a troubled world is a shield for freedom everywhere and the prime target of the enemies of freedom. Our party believes that the strength of that shield is the main deterrent to war. It rejects the notion that such strength is the cause of tension in the world. It rejects the notion that the way to peace is through negotiated weakness.

The Republican Party does not seek to isolate America from its responsibilities in the world, however, and we do not advocate isolating ourselves from our allies or reneging on the promises we have made to them. Crumbling alliances and diminishing leadership in the world are the hallmarks of the present administration—as it fights with friends and fawns on enemies.

The Republican Party does not believe that the security of freedom is advanced by the strengthening of slavery. It does not seek a divided world—it seeks an open world. We hold that only in such a world is peace possible.

We hold that the walls of a divided world can be brought down by the determination of freemen everywhere—not by war, but by will and dedication—by the long struggle that will not pause to rest or to compromise until the last shackle has been broken.

I believe in those principles.

You believe in those principles.

They are Republican principles.

They are American principles.

They are winning principles.

The great issue in 1964 will be which party can most effectively advance the cause of freedom.

Which party best represents the real aspirations of the American people.

Which party best represents the real hopes of the world.

Fellow Republicans, if you want to win this district away from its present stewardship, if you want to win this district away from its present position of being a rubber-stamp for the New Frontier administration, if you want to give this district back to the people of Dane County, to the people of Dodge County, and to the people of Jefferson, Columbia, and Green Counties, I say this to you:

Go out and find a candidate who believes in these Republican principles.

Go out and find a candidate who can make the people know he does believe in these principles.

This is your first order of business.

This used to be a good Republican district—represented by good Republican Congressmen.

You can make it a good Republican district again.

You people deserve better than a Congressman who advocates what the liberal papers espouse.

You people deserve better than a Congressman who adheres to the policies of the Americans for Democratic Action.

You people deserve better representation than you are getting.

After you have chosen a good candidate to run on the Republican ticket in 1964, that is only the beginning of your responsibilities as Republicans. He, too, will have responsibilities—but if he is the good candidate he must be, he will know what those responsibilies are, and will adequately meet them.

You, too, must meet your responsibilities.

And in this next election—since it is going to be the year that will make John F. Kennedy a one-term President—your responsibilities will not only have to be met as far as your local and State candidates are concerned, but they will have to be met as far as the national Republican candidate is concerned, whoever he may be.

Even though President Kennedy has been able to talk himself through 3 years in the White House, the Republicans can't expect to talk themselves to victory in the drive to oust him. And since your present Congressman is a pretty good talker, too, you will have to do more than just talk to get rid of him.

What we can do, if we're not careful, is talk ourselves out of any chance of victory by engaging in party feuds and divisive tactics. I've said it many times before and I say it again now:

As Republicans, we do nothing but play the Democrat's game when we chew on other Republicans.

As Republicans, we've got to get used to the idea that we have a common target in the New Frontier and in all the Congressmen who hew to its line.

As Republicans, we've got to start emphasizing our many points of agreement—rather than our fewer points of disagreement.

There are those of little faith who have decided how we can lose in 1964. They say that the Republican Party must write off some of the largest blocs of potential votes. They keep wanting to read people out of the party. We hear them say nothing as to leading people into the party. They are preoccupied by who should be kept out, but seldom with who should be brought in.

These practitioners of defeat are suffering from a purge complex. They want to purge the party until no one is left but the few who may agree with their thinking, paragraph by paragraph, line by line, word by word, and comma by comma.

This purge complex is characteristic not of free societies but of totalitarian societies. The splintering of parties into ever small factions, each with its own cherished idols and images and private fantasies, is not characteristic of American political life.

The genius of American political life has been its ability to resolve differences and permit the largest possible number of people to work together for common goals even though they hold varied views of the best way to achieve those goals.

Should we abandon this American genius now and return to systems of splintered factions and warring classes?

I say, "No," and I say that the principles of the Republican Party demand that the answer be "No."

The party bent on purges becomes a party warped by witch hunts. It spends more time looking for heresy than in proclaiming principles.

We can't be the party of victory if we insist on talking like the party of defeat.

I have heard and read, until I am sick of it, all the advice about how we can lose the election in 1964. Now I want to hear and read how we can win—because I believe we can.

We must seek unity—but not conformity.

We must seek unity of principles—but diversity of accomplishment.

The Republican Party already is a great union of strengths—American strengths. The rugged, restless strength of the growing West, the rock-solid strength of the Midwest heartland, the tall-timber greatness of the Northwest, the busy, bustling strength of the North and the East, the proud, proven strength of the South.

As a party of unity, not of exclusion, we must give those strengths principles that match their stature—not sugar-coated, wishy-washy programs to tempt their weaknesses.

But am I advocating that everyone is welcome in the Republican Party?

Am I saying that we should draw no lines, ask no questions?

No.

We cannot welcome anyone into the Republican Party who is not dedicated to America and to America's constitutional order.

But we must welcome all who, despite differing ideas at other levels, would support that Constitution, strengthen its meaning, and serve its spirit. We offer a party of opportunity to do just that.

We offer no narrow, self-seeking doctrines that say you must talk just so, walk just so, wear this color shirt or that color shirt.

No.

We salute the broad sweep of American destiny and greatness.

We offer the chance to work for principle, and we reject the admonition which says, "play the game my way, or don't play the game at all."

One voice of doom would tell us that we, as a party, cannot win the votes of union members. Why? Because we have stood for integrity and honesty in labor unions? Of course not.

That's what all decent union members stand for.

It has not been the Republican Party which has hit hardest at the rewards for honest labor. The New Frontier, with its commitment to the idea that ordinary men and women cannot be trusted to spend their own wages, has been the enemy of honest wages, honestly held and honestly spent.

The Republican Party cannot, and will not, write off the votes of union members any more than we write off the hopes of union members.

Another voice of doom would tell us we should write off the votes of Negro citizens. Why? Because we have always stood for the principle that a man, regardless of race, creed, or color, should be free to make his way to the limits of his ability? Of course not.

It is not the Republican Party that has bred racial discontent in this land. It is not the Republican Party that has dealt mortal blows to the progress that was being made between men of goodwill who know that the point of a bayonet can kill the point of a principle. It is not the Republican Party that has played politics with prejudice, both racial and religious.

The Republican Party cannot, and will not, write off the votes of any racial or religious group; for doesn't our party contain all colors and creeds? Doesn't America contain all races and religions?

Certainly they do.

I believe that the Republican Party should strive to its utmost in every part of America and among every possible group to win votes.

By votes I mean this: American votes. Not just labor votes, or just Negro votes, or just Catholic votes, or just Jewish votes.

But all votes—American votes.

And to get the largest group of American votes, we must show the people that we are the truly national party.

The only people I want to see capture the Republican Party are the American people—all the American people.

And, in turn, I want to see the Republican Party capture the imagination, the mood, and the spirit of the American people.

In 1964, I want to see the Republican Party win the White House.

In 1964, I want to see the Republican Party win a Senate seat in Wisconsin.

In 1964, I want to see the Republican Party win the congressional seat of the Second District of Wisconsin.

We are a big political party and there is all kinds of room for a difference of opinion. But in differing, we need not beat the hides off those with whom we differ.

Go out and help your candidate sell these basic Republican principles to all the people of your district—without regard for race, creed, color, economic status, and, yes, even political party.

If you can do that—because you believe in doing it—on election day 1964, you will find that you have won the biggest prize of all.

You will have given America back to the American people.

Because we will have elected a Republican President.

A Republican-controlled House of Representatives—including a new Republican Congressman from the Second District of Wisconsin.

Assateague Island

EXTENSION OF REMARKS

OF

HON. SAMUEL N. FRIEDEL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1963

Mr. FRIEDEL. Mr. Speaker, yesterday I had the pleasure of presiding as chairman of the luncheon meeting of the Advertising Club of Baltimore, attended by about 450 outstanding leaders in the civic life of Metropolitan Baltimore and the State of Maryland, as well as high officials in government.

We were fortunate to have as our guest speaker on this occasion a member of the President's Cabinet, Hon. Stewart Udall, our very able Secretary of the Interior. Many Members of the House remember Mr. Udall as one of our former colleagues who served on the Interior and Insular Affairs Committee.

Since his appointment as Secretary of the Interior, Mr. Udall has taken a very active and personal interest in the conservation of our natural resources. This summer he made a personal inspection of one of the largest unspoiled beaches on the Middle Atlantic known as Assateague Island in my State of Maryland.

Legislation is now pending in the Congress to authorize the acquisition and development of this island as a national seashore in our national park system. At the Advertising Club luncheon, Secretary Udall gave a very enlightening description of this proposal and I include his speech at this point in the RECORD for consideration by all Members of the House:

REMARKS OF SECRETARY OF THE INTERIOR STEWART L. UDALL BEFORE THE ADVERTISING CLUB OF BALTIMORE, EMERSON HOTEL, OCTOBER 30, 1963

It is a pleasure to be with you today, along with these distinguished Members of Congress from Maryland and your own Maryland officials. I am grateful for the opportunity to appear before this outstanding audience. The Advertising Club of Balitmore, with 1,200 members numbering not only direct practitioners of the art of advertising but business and professional men as well, is widely known across the Nation.

Your basic purpose is to communicate, a job you do well. Communication is my purpose here today. I want to communicate to you if possible the beauty I find in a priceless asset lying at your doorstep, one that affects your physical, mental, and financial well-being.

Today, I want you to take an imaginary trip with me 10 years into the future. The year is 1973. Our population has grown to 225 million. It's a beautiful summer weekend in Balitmore and we decide to take the family and get in some camping and fishing.

We leave Baltimore and head for the mountains. Mile after mile we travel in bumper-to-bumper traffic. Far up into the hills, the countryside is covered with houses and commercial establishments. The first place we stop, a little mountain hollow where we used to camp back in 1963, is a housing development now. We drive on, but when we come to the State park a sign at the picnic area says "Sorry, filled." The man over at the camping area says you have to make a reservation months ahead if you want to get into a State or Federal camping area. We know of a secluded farm back off the highway which offers camping and fishing, but the farmer regretfully waves us away. Since early morning he and his neighbors had had no more room for campers.

If we had tried to go to the shore, the situation might have been worse. It could take 4 or 5 hours even to get our car into the beach parking lot.

Our imaginary trip is not pure fantasy. This year of 1963—10 years earlier than our imagined trip—found many people baffled when they tried to find a place to picnic, or camp, or swim, or fish. Particularly near the urban centers, the facilities were simply jammed to capacity, and beyond, on the peak weekends.

As a people, we are rushing to the out-of-doors as never before, and the pressures are on the increase. Several significant changes in the way we live underlie these mounting recreation pressures. Our population is increasing. We are crowding into urban areas where the tensions of life are great. We are earning more spendable income and working shorter hours, resulting in more leisure time. Mix together our urban tensions, money to spend, leisure time, and the greater mobility which the automobile and express highways are providing and the reasons behind the boom in outdoor recreation are no mystery.

With all these pressures, it requires little vision to foresee the day when a large share of our citizens won't be able to enjoy outdoor recreation because of lack of facilities if we fail to plan and provide adequately for the needs which are certain to come. "No vacancy" signs at Federal and State areas could be the rule, not merely an occasional happenstance.

I would emphasize that outdoor recreation, particularly for the city-bound resident, is truly a serious matter. It provides essential cultural values vital to the Nation. Outdoor recreation is part of the educational process that strengthens men's minds as well as their bodies; broadens their understanding of the laws of nature; sharpens their appreciation of nature's manifold beauty; and gives meaning to that priceless possession—the spirt that transforms warmth and essence to life itself. I would add that the further we live away from the land, the more these truths hold.

One of our best opportunities to assure ourselves of adequate room to participate in the beneficial effects of outdoor recreation lies right at your doorstep here in Maryland.

Last April, the Department of the Interior proposed that Assateague Island on the Maryland and Virignia coast be acquired and developed as a national seashore. I hope you have seen Assateague—mile after mile of low-lying golden sandy beach, a barrier reef with beaches of a quality to rival the South Sea isles—and almost unspoiled by man.

A short while after the disastrous storm of March 1962, Governor Tawes and the Department agreed to make a study of the alternative uses of the island. Our Bureau of Outdoor Recreation in cooperation with the National Park Service and the Bureau of Sport Fisheries and Wildlife made a thorough study of alternative possibilities of private versus public development of Assateague Island. In order to provide an impartial analysis of the effect these two possibilities would have on the economy of Worcester County, the Bureau of Outdoor Recreation contracted a portion of the study of Robert R. Nathan Associates, Inc., consulting economists. The essence of the findings and recommendations go to the root of the prime outdoor recreation problems which confront us at every hand:

1. We are running out of public beaches on the east coast. Only about 2 percent of the shoreline between New York and Virginia is in designated public recreation areas.

2. Assateague Island is the largest undeveloped seashore area between Cape Hatteras and Cape Cod.

3. Assateague represents one of our last opportunities to acquire a sizable seashore for benefit of all the people before it is preempted for comparatively limited use.

4. The island is not suited for residential or commercial development without substantial public subsidy for building protective dunes and stabilizing beaches. If large amounts of public funds are to be spent, all the taxpayers should benefit by having available the use of the island.

5. Providing safe and adequate water and disposal of sewage under private ownership presents serious problems.

6. Public development of the island would provide great economic benefits to the Maryland mainland.

For these compelling reasons, we believe that a national seashore should be created on Assateague Island. Almost without exception, Maryland State agencies with responsibilities related to this field have concurred in this conclusion. Under our plan, the Maryland State Park and the Chincoteague National Wildlife Refuge would retain their identities. The Department of the Interior would welcome the opportunity to cooperate with the State of Maryland in developing the State's part of the proposed seashore.

Senators BREWSTER and BEALL, along with Representatives SICKLES and LONG, have introduced in Congress proposals to make Assateague a national seashore. Their proposals definitely are in line with the thinking of the Department of the Interior.

Assateague Island would be developed and managed for both intensive and extensive use. Development of supporting facilities for food, lodging, and other services by private enterprise would take place on the adjacent Maryland and Virginia mainland.

Our plan calls for public acquisition of all private holdings on Assateague. Owners, of course, would receive fair market value for their property. Owners of improved property could retain the right of occupancy for up to 25 years. Total cost of acquisition and installation of dunes sufficient to protect the area for day use would be about $12.5 million.

The Department has been aware of Assateague's outstanding recreation values for many years. As early as 1935, the National Park Service identified Assateague as worthy of Federal acquisition, and the Chincoteague National Wildlife Refuge encompassing the Virginia portion of the island was established in 1943.

Assateague is a precious national asset. Its beauty grips the imagination and stirs the soul. And it is ideally located to serve the large cities of Baltimore, Washington, Philadelphia, and Wilmington. Assateague represents one of our last chances to provide for the seashore recreation needs of the several million people living in these nearby cities. Within a 250-mile radius of Assateague live about 34 million people—almost one-fifth of the Nation's total population. Public ownership and development of Assateague Island would provide seashore recreation opportunity for an estimated 3 million people annually by the year 1975. I hope you will join me in supporting legislation which will enable us to save this piece of our disappearing coastline for public use and enjoyment.

So important to the future well-being of all the residents of this area is public acquisition of Assateague that I would suggest that the venerable Advertising Club of Baltimore may wish to consider adopting Assateague as a project. This Advertising Club, renowned for its public service, could render no more important contribution than to institute a campaign of understanding to explain to all of Maryland the benefits which

would come from developing Assateague as a national seashore.

As I have stated, Assateague Island is the largest unspoiled section of beach in midsection of the Atlantic coast which is suitable for preservation as a national seashore. This island has been the scene of ill-advised speculation, unsound land use proposals, and short-sighted conservation planning. If we take into account the needs of the future, Assateague can become an irreplaceable playground for the people who live in this region of the Atlantic coast.

Not unexpectedly, we have seen strenuous opposition to the national seashore proposal develop on the part of Worcester County officials. Such opposition was to be expected. The whole history of the development of the National Park System is the history of local opposition at the outset, but always has a happy ending. Without hesitation I will predict today that if the advice of your State officials is followed and Assateague is added to our National Park System, Worcester County will benefit most of all. Once a long-range conservation plan is put into action under the wise guidance of the National Park Service, it will quickly win the support of those who live in the areas adjacent to Assateague. This has been the case over and over. Here are some examples:

1. Cape Hatteras National Seashore in Dare County, N.C., is not unlike Assateague. In 1950, Dare County had an $11 tax base before the recreation area got underway. By 1958, Dare County's tax base was $25 and its tax rate was reduced from $1 to 80 cents per hundred.

Cape Hatteras was preserved, and the tourist trade around the area virtually doubled in a 6-year period; bank deposits doubled; and land values multiplied in the vicinity of the national seashore.

2. The importance of location is clear for retailers who seek a share of business at or near a recreation area. An example of this effect is afforded by Teton County, Wyoming, which contains the Grand Teton National Park and is adjacent to Yellowstone National Park. In 1958, tourist expenditures of nearly $7 million produced locally a business of over $12 million, or about 71 percent of the total business generated in the county by all economic activity.

3. In 1958, nearly 3.2 million persons spent an estimated $35 million within an area extending 30 miles beyond the boundaries of Great Smoky Mountains National Park in Tennessee and North Carolina.

4. As the volume of recreation expands, it may bring about additional capital investment. This enlarges the scope of the community's economic activities. For instance, the 28,000 summer homes in New Hampshire all built essentially for recreation purposes provide a market for real estate, building, and other materials and labor.

5. Tourist expenditures are big business—a business that's getting bigger every year. Spending for outdoor recreation totals an estimated $20 billion annually. Major sporting goods are just under $2 billion a year, three-fourths for items related to outdoor recreation.

We spend an estimated $2.1 billion for boats and related equipment and services, $3 billion on fishing annually. Visitors to Federal and State parks, forests, and reservoirs spend over $11 billion annually.

Once Congress authorizes an Assateague National Seashore, it is going to take money to acquire the land. It is for purposes such as this that we have proposed and Congress is considering a Land and Water Conservation Fund bill.

This far-reaching measure would provide both needed funds for acquisition of certain Federal areas and, importantly, grants-in-aid to help the States plan, acquire, and develop outdoor recreation areas such as parks, forests, reservoirs, wildlife refuges, and other areas. The State of Maryland could use such grants-in-aid funds for needed development work at the State portion of the Assateague project.

The bill would create a Land and Water Conservation Fund from entrance and user fees at certain federally administered recreation areas, from proceeds of surplus land sales, from revenues raised by the motorboat fuels tax and from repayable advance appropriations. The revenues would continue for a period of 25 years. This is fair and reasonable financing since the pay-as-you-go revenues would be derived from the people who benefit most from use of Federal areas, the recreation users.

Upon appropriation by Congress, 60 percent of the fund, possibly $125 million in a typical year, would be available to the States on a matching basis.

I know of no proposal which could advance the cause of acquiring needed recreation resources more than the Land and Water Conservation Fund bill. The measure has enjoyed the support in principle from officials of 46 States and from numerous conservation organizations and other groups. The bill has been ordered reported by the House Interior and Insular Affairs Committee. I am hopeful the House and Senate will approve the land and water bill this year. If it does, the future for Assateague will be that much brighter. We need Assateague—all of us. I hope all of you can be present for a swim on its beautiful beaches the day we dedicate it as a new national seashore—for all Americans.