hood; are not the result of assignment because of race, and offer an equivalent quality of education.

Others disagree quite radically with Conant, arguing that present concentrations of Negroes and other minority groups have been artificially achieved and that artificial means must be followed to break the pattern. And the case can certainly be made that the real issue is how to lead all of the communities' children into meaningful encounters with each other, to the end that they develop skills of citizenship commensurate with the demanding times in which they live.

The Supreme Court, of course, has not yet ruled on this question, but several lower courts have. In *Clemons* v. *The Hillsboro Board of Education* and in *Taylor* v. *New Rochelle*, Federal courts have stated that gerrymandering of school attendance boundaries for the purpose of confining Negroes to one school violates the 14th amendment. And in *Goss* v. *The Knoxville Board of Education*, the Court ruled that "no official transfer plan or provision of which racial segregation is the inevitable consequence, may stand under the 14th amendment."

It is well to note, however, that the Commission on Civil Rights, in its latest report, has found that the open enrollment plans studied had little effect on the racial composition of schools, even when transportation was provided.

In spite of all efforts to achieve racially heterogeneous schools, it seems evident, the Commission stated, that many, particularly in the large cities, will retain a large degree of racial imbalance until discrimination in housing and employment are things of the past.

It seems to me, therefore, that while our efforts on other fronts should not slacken, that we should be concerned with insuring the highest standard of educational excellence in all of our schools, regardless of their racial composition.

President Kennedy stated in a message to Congress last year that:

"Our progress as a nation can be no swifter than our progress in education. Our requirements for world leadership, our hope for economic growth and the demands of citizenship itself, all require the maximum development of every young American's capacity."

The simple truth is that a free nation can rise no higher than the standard of excellence set in its schools and colleges. Ignorance and illiteracy, unskilled workers and school dropouts, breed failures in our social and economic system. They are the seedbed of delinquency and unemployment, of a loss of productive power, and a furtherance of chronic dependence. Failure to improve educational performance is not only a moral laxity, it is a poor social policy, and poor economics.

CONCLUSION

The steps to improved quality, of course, are not simple—they require time, and they require support. But the difficulties of operating schools which can cope successfully and simultaneously with both racial and educational issues are among the most puzzling and difficult facing the American people today.

They in turn require patience and perseverance, and a willingness to being. As the story goes, Marshall Lyautey, a great French general of the twenties, went out one day and asked his gardener to plant a tree. But, the gardener complained, this tree won't flower for 100 years. "Well then," responded the marshal, "We have no time to lose. Plant it this afternoon."

Our tree—the tree of true equality and excellence of educational opportunity—a tree which is the challenge for American education today, should and must flower before another 100 years have passed. But we too must begin today, and we too must be able to say with the poet:

"Give me men to match our mountains,
Give me men to match our plains,
Men with empires in their purpose,
and new eras in their brains."

Statement Re the 45th Anniversary of Latvian Independence

EXTENSION OF REMARKS

OF

HON. JOHN V. LINDSAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 19, 1963

Mr. LINDSAY. Mr. Speaker, on this 45th anniversary of Latvia's rebirth as a free and independent state, Americans remain strongly convinced that Latvia, like all other nations, is entitled to freedom and national self-determination.

Though Latvian independence has been suppressed by forced incorporation into the Soviet Union, the Latvian people have displayed a determination to maintain their ideals and preserve their national heritage. The American Government, by refusing to recognize the illegal Soviet annexation of Latvia, registers its support for Latvia's cause and confidence that the Latvian nation will endure.

SENATE

WEDNESDAY, NOVEMBER 20, 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:

Our Father, God, as once more in this chamber of deliberation there sounds the summons to prayer in a tense time, when so much for so many depends on what these servants of the people's will do and say here, save us, we beseech Thee, from turning just from dull habit and with unexpectant hearts to the reality in which we live and move.

We would that this daily moment of devotion shall make each of us more vividly aware of Thee, not only as a help in ages past, but as a quickening presence, a sustaining power, a refuge from the tumult and confusion of the world.

Like a lark rising on morning wings to sing its rapturous song at heaven's gate, so may we rise above all sham and drudgery, hopes deferred and broken dreams, with undaunted spirits to lift our own paean of faith above the common ground:

"This is my Father's world,
So let me ne'er forget
That though the wrong seems oft so strong
God is the Ruler yet."

Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, November 19, 1963, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

REPORT ON U.S. PARTICIPATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT (H. DOC. 167)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Pursuant to the provisions of the United Nations Participation Act, I transmit herewith the 17th annual report covering U.S. participation in the United Nations during 1962.

This record tells the story of deep United Nations engagement in the great issues of the 1960's. It demonstrates that, despite the financial irresponsibility of some of its members, the organization has, through executive action and parliamentary diplomacy, played an indispensable role in dealing with an impressive number of the world's problems.

The United Nations political relevance—and its developing capacity for effective action—is indicated by a brief look at several major aspects of world affairs and at what the United Nations did about them in 1962.

GREAT POWER CONFRONTATION

When the Soviet Union sought to alter the balance of nuclear power by installing missile bases in Cuba, the United Nations—as well as the Organization of American States—proved an important instrument in resolving the most dangerous crisis of the nuclear era. The Security Council served as a forum in which the U.S. Government made clear to the world that its actions, taken in

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concert with its neighbors of the hemisphere, were the reasonable response of rational men to a sudden and unacceptable threat in their midst. The Secretary General, only recently elected to his post after a period as Acting Secretary General, provided a useful point of contact in the early stages of negotiations with the Soviet Union. The United Nations also could have provided an on-site inspection service at short notice had the Cuban Government not refused to cooperate with the world organization, and made necessary a continuation of other means of surveillance in the interest of hemispheric security. Finally, the United Nations provided an appropriate place for negotiating the remaining issues after Soviet missiles had been withdrawn.

It was in 1962 that a major United Nations peacekeeping force in the Congo established a level of internal security which permitted a very substantial reduction in the size of that force. The Central Government of the Congo, assisted by the United Nations, has preserved—in the words of the charter—its "territorial integrity and political independence"—and thereby forestalled a threat to international peace—in the face of three attempts at secession: a Communist-sponsored effort in the north, a local eruption in the interior, and a secession backed by outside interests in the south. Assisted by technical aid from most of the specialized agencies of the United Nations, the Government of the Congo has meanwhile increased its capacity to manage an economy of rich potential in the face of severe difficulties, including a crippling lack of trained manpower and experienced administrators.

In two other fields the United Nations has continued to be a vital instrument to effect a disengagement in important sectors of the great power confrontation. The Organization has served as a forum for encouraging an agreement for the cessation of nuclear weapon testing and for promoting progress toward general disarmament. It has served, as well, as a mechanism for negotiating legal principles and technical cooperation in outer space. We must be no less concerned with these persistent efforts to shape the future within the framework of the United Nations Charter than we are with United Nations operations designed to respond to the alarm bells of the present.

OTHER INTERNATIONAL PROBLEMS

During 1962 an impending conflict was averted in west New Guinea—the first territory administered by an international organization—by the patient work of a United Nations mediator. In the Middle East the United Nations Emergency Force, the United Nations Truce Supervision Organization in Palestine, and the United Nations Relief and Works Agency for Palestine Refugees were on the job of removing and reducing tensions, and controlling those that could not yet be removed. In Kashmir, United Nations contingents patrolled under provisions of truce and cease-fire agreements. In Korea, a United Nations Commission stood ready to help in the unification of the country in accordance with resolutions of the General Assembly. Since the end of 1962, the United Nations has begun another work of peacemaking, through an agreement for the disengagement in Yemen of the United Arab Republic and Saudi Arabia.

FINANCING PEACEKEEPING

At the 17th General Assembly the United Nations received and then accepted the advisory opinion of the International Court of Justice that peacekeeping expenses of the United Nations in the Congo and the Middle East, earlier approved by the Assembly, are expenses of the Organization within the meaning of article 17 of the charter. The failure of member states to pay their related assessments would thus subject them to the loss-of-vote provisions of article 19. The Court's opinion and its acceptance set the stage for what, based on later actions by the General Assembly, promises to produce a sturdier sense of financial responsibility on the part of most of the members.

COLONIAL QUESTIONS

Despite predictions of "another Congo," the United Nations trust territory of Ruanda-Urundi moved peacefully from dependence under Belgian administration to independence as the Republic of Rwanda and the Kingdom of Burundi and then to membership in the United Nations. The organization continued to tackle the problems of nonviolent transition as awakening peoples moved steadily toward independence from older colonial patterns. The remnants of the world's colonial past still present some hard cases—the last precisely because they are the hardest—which will test the capacity of the world community and of the United Nations to devise the procedures and institutions of peaceful change.

It should come to us as no surprise that the struggle for national self-determination should be so closely linked with other fundamental questions of human rights. It has been so in our own country. As the decolonization process nears an end—with miraculously little bloodshed—men and nations can shift their attention from national freedom to the larger issue of individual freedom.

THE DRIVE FOR MODERNIZATION

Through its specialized agencies and regional commissions—its technical assistance and preinvestment work, its civil role in the Congo, its new projects such as the world food program, the world weather watch, and regional planning institutes, its standard-setting and rule-making roles in such fields as maritime safety and international radio frequency allocations, its useful reports and its many conferences—the United Nations moved ahead as the principal international executive agency of the decade of development. We continue to believe it possible, through vigorous international cooperation, to achieve an average annual rate of economic growth of 5 percent in the newly developing nations by the end of this decade.

In short, the United Nations in 1962 was confronted—in practical and operational ways—with a broad agenda of the great issues of our time. Like most institutions devised by man, the United Nations exhibited both accomplishments and shortcomings. But despite noncooperation from some members and wavering support from others, the organization moved significantly toward the goal of a peace system worldwide in scope. The United States will continue to lend vigorous support to the building of that system.

JOHN F. KENNEDY.

THE WHITE HOUSE, *November 20, 1963.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 1868) to amend the act of August 3, 1956 (70 Stat. 986), as amended, relating to adult Indian vocational training, with an amendment, in which it requested the concurrence of the Senate.

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

H.R. 7155. An act to facilitate the work of the Department of Agriculture, and for other purposes; and

H.R. 9140. An act making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1964, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H.R. 7155. An act to facilitate the work of the Department of Agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 9140. An act making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1964, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETING DURING SENATE SESSION

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

INDEPENDENT OFFICES APPROPRIATIONS, 1964

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 8747) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1964, and for other purposes.

The PRESIDENT pro tempore. Under the agreement of yesterday, the pending Fulbright amendment (No. 325) will be laid aside until 2 o'clock.

In the meantime, the bill is open to further amendment.

THE CAUSES OF BALANCE-OF-PAYMENTS DEFICITS

Mr. SYMINGTON. Mr. President, in my statement of last Monday, I pointed out that cumulative balance-of-payments deficits since 1950 have amounted to $25 billion—$28 billion, including obligations to international agencies. The United States has only $4 billion in free gold to pay this liability on demand; and about half our current liabilities are held by Western European countries.

How did we get into this position?

At the end of World War II, Western Europe was devastated physically, its economic resources were depleted, and a pall of "helpless confusion" hung over the Continent. The threat of internal Communist revolution was ever present, and the ability of the Western European countries to hold the line against Russia was doubtful.

A consequence of these conditions was that these countries were not able to carry the burdens of both civil and defense expenditures necessary to hold their colonial empires.

At first there was a somewhat naive thought, prevalent in many quarters, that through UNRRA we could take care of the humanitarian needs of relief; and also that through ordinary financial devices of credits and investment, with the British loan and the setting up of the International Monetary Fund and the World Bank through the Bretton Woods agreements, we could take care of the industrial rehabilitation of war-torn countries.

The United States soon discovered, however, that this was not enough, and that Western Europe needed massive infusions of United States capital for reconstruction. This was the time when everyone spoke of the "dollar gap," a phrase which meant no more than that the European countries had need to import goods from the United States—for which, however, they had no means to pay, either in accumulated capital or current earnings.

The United States adopted, therefore, a set of policies designed to put dollars into the hands of Western Europe—and later Japan—dollars to pay for American goods.

First, in 1946, there was the Truman doctrine—direct grant aid and military assistance, given to Greece and Turkey.

Then there was the Marshall plan, started in 1948—$17 billion of grant aid, which plan required no interest and no repayment.

In addition to making money available through grants, it was the policy of our Government, at that time, under the aid program, to encourage procurement in foreign countries, to the extent supplies were available.

Then our Defense Department started a planned offshore procurement program. This also put defense dollars into the hands of foreign countries. In addition, the stationing of U.S. troops abroad had the effect of making more U.S. dollars available to other countries.

Finally, we initiated, and continued, a trade agreements program designed to reduce U.S. tariffs, so that the countries in question could sell more goods to us, and thereby earn more dollars.

During this period we were very generous not to demand reciprocal concessions; in fact, in many cases we actually allowed these countries to set quotas on American imports, on the excuse they had balance of payments deficits.

There were two results of these activities:

First. We rebuilt the industrial plant of Western Europe with the most up-to-date technology, far more advanced than some in the United States.

Second. We opened up our markets to the countries in question.

By the time the Marshall plan ended, in the fiscal year 1953, we had already started running balance-of-payments deficits.

As economic aid tapered off, we undertook the buildup of NATO; and under the foreign procurement policy of the Defense Department, along with the stationing of troops and bases abroad, we poured billions of dollars into defense establishments, from Scandinavia to Africa, from Scotland to Turkey.

All of this activity again caused a tremendous outflow of dollars, in fact cumulatively, for military assistance and economic aid, and not counting the expenditures for American troops, we spent $46 billion in Western Europe.

If one adds to this the direct military expenses for the maintenance of U.S. troops, it has been estimated that our expenditures in Europe would come close to $65 billion.

In the meantime, revitalized European industry began to export in increasing amounts, both to this country and to other countries, all around the world, in competition with the United States. These exports often undercut U.S. markets.

Listen to these figures of progress:

Western Germany alone increased its manufactured exports from $3 billion in 1950 to $11 billion in 1962, an almost 400 percent increase.

During the same period, the United States increased its exports of manufactured products from $7 billion to only $11 billion, a 65 percent increase.

Little West Germany now exports as much manufactured products as does the United States. As a result, West Germany now has a prosperity unparalleled in its history.

The ratio of U.S. exports to total world exports went down substantially from 26.2 percent in 1953 to 19.9 percent in 1962.

A large part of our manufactured exports are foreign aid financed; and if this item were eliminated from our total exports, the U.S. share of commercial world export markets would be even lower.

During the same period, West Germany increased its share of world trade of manufactures from 13.4 to 21.1 percent. Italy and Japan both doubled their share of world markets. France stayed constant, and the United Kingdom went down.

Another indication of the U.S. position in international trade is to be found in the relative figures of exports and imports. In 1947 the net difference between exports of goods and services, and imports, was $11.5 billion in favor of the United States—exclusive of transfers under military grants. On merchandise account alone this favorable balance of the United States was $10 billion.

Of course, $6 billion of this favorable balance was due to exports under Government programs and unilateral transfers; but in spite of this outpouring of U.S. grants and loans, we still ended up the year with a $4.5 billion surplus.

But there was a serious deterioration in 1950. In that year the net income of the United States on account of export of goods and services was down to $1.8 billion, mainly because merchandise exports had gone down from $16 billion in 1947 to $10 billion in 1950. We ended up the year with a payments deficit of $3.5 billion.

Then it really started.

With the sole exception of 1957, this Nation has been running a deficit ever since, in varying amounts, from minus $305 million in 1951 to minus $3.9 billion, the high point, in 1960. This is because our net income from the sale of goods and services over imports has gone down from $11.5 billion in 1947 to $4.8 billion in 1962.

When you consider that $2.8 billion of that amount results from Public Law 480 and foreign aid financed exports, the net surplus in 1962 was only between $1.9 and $2 billion.

Another way of comparing the relative position of the United States in the export market is to compare merchandise exports with merchandise imports—ex services. Whereas in 1947 our total merchandise exports were $16 billion, in 1950 they went to $10 billion.

In the 13 years since, these exports have gone up to $20.5 billion in 1962. Imports increased steadily during that period, from $6 billion in 1947 to $16 billion in 1962. And whereas our exports contain aid-financed exports of $2.8 billion, our imports are on a cash basis.

These results are due to:

First. The "industrial revitalization" in Western Europe and Japan;

Second. U.S. liberal trade policies;

Third. Inflationary price increases;

Fourth. "Fundamental structural changes" in the import requirements of the United States, as well as in the exports of our major industries.

As example, before World War II, oil exports once provided a net income to the United States. Currently, however, imports of oil have become a negative factor in our balance of payments, to the tune of over a billion dollars a year, the net difference between imports of oil, as against exports.

Again, before World War II we imported only 2 million tons of special grades of iron ore. Now we import over 30 million tons.

This one change requires a net outpayment of some $350 million a year.

The automobile industry was once a net earner of dollars for us to the tune of $1.3 billion a year; but now the industry has dropped about $1 billion of its earning capacity for the United States, because foreign production has been substituted for U.S. exports; and if the Canadian program of reducing imports of U.S. automobile parts is put into effect, it is very possible that the exports of this industry will no longer earn the United States a net income.

These three illustrations are but a few of the many that could be given, to show the fundamental, lasting, structural changes in the export-import picture of the United States.

Government capital and unilateral transfers amounted to $6.1 billion in 1947. They dropped to a low point of $1.7 billion in 1954, then started to increase, until in 1962 the figure was $3.9 billion—exclusive of U.S. military expenditures, transfers of U.S. military equipment, and Public Law 480 transfers of agricultural commodities.

Our military expenditures during all that period have remained around $3 billion a year. Thus, between U.S. military expenditures abroad, and unilateral Government transfers, in 1962 this Nation had a net outpayment of $6.9 billion—reference, appendix, table I, "U.S. Balance of Payments, 1947–62," page 278, Brookings report, published by the Joint Economic Committee.

In the meantime, there has been a major movement of private capital.

In 1947, private long-term capital investments abroad by U.S. citizens amounted to $900 million. This item remained well below a billion dollars during most of the years immediately following.

In 1956, however, the rate of U.S. capital investment abroad started increasing, from $1.9 billion in that year to $2.5 billion in 1962; and the earnings on foreign investments to the U.S. increased steadily, year by year, from $1.1 billion in 1947 to $3.3 billion in 1962.

Total income returned to the United States on private investments abroad has actually been greater, cumulatively, than total investments abroad during this period; and greater, in each year, than the annual outflow of investment capital.

This development is the one bright spot in our international economic relations; but the fly even in this ointment could be considered the loss of wages to American workers which results from this increase in U.S. financed foreign production.

In summary, from the above analysis one comes to the inescapable conclusion that our balance of payments deficits are due primarily to:

First. Structural changes in our import-export relationship.

Second. Continuance of Government expenditures abroad, for foreign aid, and for military expenses incident to the maintenance of U.S. forces.

In my next statement on balance of payments I shall address myself to an analysis of the various remedies proposed to solve this payments deficit problem.

Mr. MAGNUSON. Mr. President, I yield myself 2 minutes on the bill.

The PRESIDING OFFICER (Mr. BAYH in the chair). The Senator from Washington is recognized for 2 minutes.

Mr. MAGNUSON. The Senator is deeply interested in the subject and will offer some good remedies for the serious deficit of trade problem. There is one point that seems to escape the attention of nearly everyone in this field. About half the deficit is the result of travel. Every year, Americans spend abroad—I believe this year will be the highest—about $1,500 million plus. It has never varied much.

Mr. SYMINGTON. Will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. SYMINGTON. The Senator is correct. I believe it is $2½ billion gross, and $1½ billion-plus net.

Mr. MAGNUSON. That is correct.

Those who come to this country spend a maximum of, I believe, $400 million. So every year, roughly, there is a billion dollars of outflow without a corresponding amount coming in.

Mr. SYMINGTON. It is more than that.

Mr. MAGNUSON. Yes. I was amazed at the amount in 3 or 4 years. To encourage foreign travel to this country now is not going to be the correct answer. It will never be a great deal more than it is, but this year it is up 26 percent.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. SYMINGTON. The Senator is correct. The unfortunate fact is that the citizens of many countries to which we have given a great deal of aid are allowed a strictly limited amount of money to spend in our country. That is an unfortunate development. We have no limitation of any kind on our own citizens.

Mr. MAGNUSON. Almost everyone in the world would like to come to America. I am not making a speech for the U.S. Chamber of Commerce, but it is true that nearly everyone wishes to come to the United States.

Mr. SYMINGTON. And stay here for a time, and spend money here.

Mr. MAGNUSON. That is correct; but they have the impression that it costs too much to make a trip to the United States. Of course, it does not; it is just as cheap to travel here as in any other country in the world. We have done a great deal—of which I am sure the Senator will take note—to simplify obtaining passports, visas, and things of that kind, so that people can come here. There is also the intangible value gained when people from other countries come to America and see the country and meet the people. To that benefit one cannot attach a dollar sign. Other than the causes which the Senator from Missouri has mentioned, a great deal of the outflow of gold—50 percent of it, at least—has been the result of travel.

Mr. SYMINGTON. Mr. President, I thank the able and distinguished senior Senator from Washington. He has put his finger on one of the primary reasons for the continuing unfavorable balance of payments.

First are the offshore military expenditures, which have totaled at least $36 billion since World War II.

Another is foreign aid, which has been discussed at length in the Senate.

More than from the standpoint of foreign aid in the loss of gold, however, if the latter program is now controlled as well as stated by the Agency for International Development, is tourism.

I hope this aspect of the problem, as suggested in the wise remarks of the Senator from Washington, will be fully considered by our Government.

INDEPENDENT OFFICES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 8747) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1964, and for other purposes.

Mr. PROXMIRE. Mr. President, I call up my amendment No. 321 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 7, line 7, it is proposed to change "$81,000,000" to "$79,000,000" and change "$5,000,000" to "$3,000,000".

Mr. MAGNUSON. Mr. President, I yield 10 minutes from the time on the bill to the Senator from Montana [Mr. MANSFIELD].

CAMBODIA

Mr. MANSFIELD. Mr. President, today's Washington Evening Star carries a statement relative to Cambodia that "American Staff Will Be Slashed From 300 to 20."

In the press of late, there has been a flurry of reports pertaining to Cambodia. The reports are not clear or consistent. What they do indicate, however, is that there is about to be a termination of assistance from the United States to that country at the insistence of the Cambodian Government. There are also charges, apparently, by the Cambodian Prime Minister that certain agencies of the U.S. Government are implicated in efforts to overthrow his Government.

The hostility which is involved in this episode is most deplorable. But it is not the first time, Mr. President, that it has occurred. The history of our relations with that nation for the past decade, on the whole have been friendly.

But from the outset they have also been characterized by repeated misunderstandings and unnecessary personal irritations. And, I want to say, Mr. President, that in my judgment and in all frankness the fault is not all on the other side.

There have been indications, time and again, that the Cambodians wished to avoid a heavy dependency on outside aid. Time and again, they have indicated their desire to move toward its termination. Time and again these indications have been ignored or made light of by agencies of this Government.

The United States has provided $300 million in aid to Cambodia during the past decade. That is a very sizable amount of money although it is far less than that which has gone to Thailand, to Vietnam, and to Laos in the same area. Moreover, the level has been declining in recent years with Cambodian encouragement and concurrence. This aid has made a significant contribution to the remarkable internal progress of Cambodia and to its capacity to defend itself against invasions with a small but highly effective and dedicated military force and an intensely nationalistic and Khmer-conscious people.

One would assume, Mr. President, that we would have taken with some seriousness in the past this desire of the Cambodian Government to terminate assistance. One would assume that it would have been welcomed by us, especially in view of what has just recently transpired on the floor of the Senate in connection with the foreign aid bill.

One would assume, Mr. President, that we would find a measure of satisfaction in the realization that our aid had helped Cambodia to reach a point at which it felt capable of doing without a special assist from us. One would assume that we would be generous in our respect for a nation and a government which had the courage and the fortitude to attempt to make it largely on its own. One would assume that there would have been expressions of admiration for these hard-working people and for its hard-working chief of State. One would assume that we would have gone out of our way to provide assurances that we would do what we could to sustain, to encourage, and to fortify this courageous effort. In short, Mr. President, one would assume that we would have been delighted that Cambodia was prepared to attempt to end its one-sided dependence on our aid.

But is that what has transpired? Except for President Kennedy's statement, as published in the Evening Star for November 14, 1963—

"It is my hope that Prince Sihanouk, who must be concerned about the independence and sovereignty of his country—he has, after all, been involved for many years in maintaining that independence—will not decide at this dangerous point in world affairs to surrender it," the President declared.

"I would think that he is more concerned about Cambodian independence than we are. After all, he is a Cambodian.

"Not to protect his nation's independence would be folly," Mr. Kennedy said, "and I don't think he is a foolish man"—

What has been the reaction of the executive branch? Of the press? Look at the noncommittal statements issued by the Department of State on behalf of all the relevant agencies of this Government. Look at the news reports and the editorials in recent years. Do you find approval of this Cambodian desire or do you find it subject to derision? Do you find a warm encouragement of the desire of the Cambodians to get off the foreign aid chuckwagon? Do you find the assurances that we will do what we can to make the transition orderly and to minimize the shock of the severance of aid? You find nothing of the kind. On the contrary, you find a clear suggestion that there is something idiotic in this desire. You find it regarded as almost inadmissable—a kind of betrayal—that Cambodia should dare even to think that it might make do on its own. You find almost a condemnation of the Cambodian desire to dispense with subsidies in one form or another of $30 million a year from the United States. You find a wide variety of disparaging comments on the character and ability and the sanity of its Chief of State. You find a former king bent upon the preservation of the institution of the monarchy and the traditions of Buddhism in his country branded even as a quasi-Communist. You find him referred to as a playboy and saxophone player.

Yet this particular Chief of State, with his great personal dedication and energy, more than any other in southeast Asia that I know of, has found a common ground with his own people. He has been both the inspiration and the core of their efforts to preserve their unique culture while establishing for it a safe place in the mainstream of human development in the second half of the 20th century.

You find, in short, almost a hostility to a nation which, with far less than most at the start, has developed within its borders a remarkable degree of progress and political cohesion and stability and a level of human freedom and public participation in the life of the nation which exceeds most if not all of the other nations of southeast Asia. Of course, Cambodia has made mistakes. Of course, there are unavoidable differences with Cambodia on southeast Asian issues. But is that a valid explanation for the kind of intemperate deprecation of the character of its Chief of State which has been widespread almost since the beginning of the independence of Cambodia?

I must confess, Mr. President, that I cannot understand these attitudes. I think they are disgraceful. I think that they are improper as a basis for normal, friendly, and mutually beneficial relations between ourselves and other nations. I think they do a disservice to our foreign relations for they suggest that the only relationship we trust, at least for the present in Asia, is one of continued dependency of those nations on our aid if not our superior wisdom. And, this is the case at a time when the pressures within this Nation are rising for a great reduction if not a termination of aid.

No one can foretell what the political future of southeast Asia will be. But it ill behooves us to assume that we know what is best for another nation in a setting 10,000 miles away, a setting of which we knew little scarcely a decade and a half ago and have yet to learn much. It ill behooves us to operate apparently on the principle that any southeast Asian nation will automatically sink into communism not long after it dares to pull the plug of its dependency upon our aid. If that is the case, what are we talking about when we talk about terminating this aid program in the near future? And if it is, indeed, the case we will only have hastened the day of Cambodia's collapse by intemperate and insulting comments on its Chief of State. We will only have hastened the day by a hostility or an indifference to the laudable effort of the Cambodians to stand on their own feet.

In the end, the gloomy predictions that Cambodia will be pushed into the orbit of Communist China may well be realized. And if it happens we can charge a great deal of the responsibility to the inadequacies of our own understanding and our bureaucratic ineptitude.

If we would really serve our legitimate national interests in southeast Asia we will not disparage, ridicule, or discourage this effort of Cambodia to dispense with our aid. On the contrary, we will do what we can to salvage a good will which need never have been lost. And what we can do at this late date is at least to have the good grace to welcome the effort to dispense with our aid and not exacerbate the difficulties of the transition. For if they are multiplied then we will have done more than our share to topple this small nation into the outstretched arms of Communist China or other predatory elements which may be in the vicinity.

What we can do is not to condemn Cambodia for dropping our aid but encourage other nations in that area also to try to dispense with it. What we can do is to redouble our efforts to bring about a better climate between Cambodia and its neighbors, both West and East, to the end that the fears, warranted or unwarranted which impel the Cambodians to look—and in my judgment in error—toward China for succor may be minimized.

I would strongly urge this body and this Government to think twice about writing off Cambodia and the remarkable achievement which with our assistance has been registered in this small and isolated nation of southeast Asia. We ought to find satisfaction in what we have helped to build. We ought to find satisfaction, not discomfort, in the fact that the Cambodians feel strong enough to try to stand on their own feet. The only regret is that what should have been a moment of great pleasure to us, as vindication of the concept of foreign aid, is clouded with a most unfortunate hostility. And, I repeat, in my judgment the fault lies as much in our own strange bureaucratic ineptitude over the years as it does with the seemingly erratic behavior of the Cambodian Government.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD an extract dealing with Cambodia from the report which represents the joint findings of the distinguished Senators from Rhode Island and

Delaware [Mr. PELL and Mr. BOGGS] and myself at the conclusion of a visit to southeast Asia about a year ago.

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

CAMBODIA

Cambodia has developed into one of the most stable and progressive nations in Southeast Asia. Apart from difficulties on its borders with Thailand and Vietnam, the kingdom enjoys complete peace and has registered a remarkable degree of economic and social progress in a decade. The leadership of Prince Sihhanouk has been a key factor in this achievement. Abdicating the throne in order to participate actively in political affairs, the Prince has led the kingdom with an understanding of his people, with personal dedication, and with immense energy. He has maintained cooperative relations with France on the new basis of full national independence and equality and the French, today, continue to play a major part in the development of the country. Cambodia's contacts with the rest of the world have been greatly expanded and now encompass all of the major powers, Communist and non-Communist. In international circles, Cambodia has come to occupy an influential role among the smaller nations and was a prime mover in the convening of the Geneva Conference on Laos.

Outside assistance has been supplied to Cambodia by many countries, including Soviet Russia and Communist China. The United States has provided over $300 million in assistance from 1955 to 1962. But the level has been declining, with Cambodian encouragement and concurrence.

In spite of this assistance, however, Cambodian-United States relationships have encountered repeated difficulties from the outset. In retrospect, many of these difficulties appear superficial and avoidable. Whatever the difficulties, there is not and can hardly be any legitimate basis for a direct conflict with this remote Asian kingdom. There are on the other hand, possibilities for deepening cultural and economic contacts of mutual benefit. Indeed, Cambodia's inner progress and declining dependence on U.S.-grant aid points to a foreseeable termination of these programs, not in chaos but in a transition to an enduring relationship of mutual respect and mutual advantage. Finally, Cambodia's existence as an independent nation at peace with all of the great powers is of exemplary value if there is ever to be a durable and peaceful solution to the basic problems of southeast Asia.

It would appear very much in order for the United States to make every effort to understand the position of the Cambodians and to use its good offices in every practicable way to encourage settlement of the border difficulties with Thailand and Vietnam. Our military aid to these countries is undoubtedly a factor in exacerbating Cambodian fears and, hence, has intensified the difficulties which have characterized United States-Cambodian relations. However they may appear to us, these fears are very real to the Cambodians and exert a powerful influence on the course of its policies which of late have tended toward an extreme neutralism.

As noted, there has already been a decline in the level of one-sided U.S. aid to Cambodia and apparently, the Government of that country desires a continuance of this process. We should seek to meet this desire in an orderly fashion. At the same time, far greater emphasis should be placed on expanding more mutual relationships. Educational and other exchanges and the promotion of tourism, for example, can be of great value in this connection. The possibilities of stimulating investment and enlarged trade should also be fully explored. It would appear greatly in our interest to make every reasonable effort to encourage a transition from what has been a stormy and one-sided aid relationship to a new relationship of greater understanding and mutuality.

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

Mr. MANSFIELD. If I have time remaining, I yield.

Mr. AIKEN. The Senator from Montana has made an excellent statement. It has been almost national idiocy over the years for us to insist not only upon determining how the other countries of the globe should conduct their governments, but also that they take aid from us at the expense of the American taxpayers. I am happy that Cambodia has decided she no longer needs our assistance. It is to her credit. It would be to our discredit if we tried to force our money and other assistance on her in spite of her objections.

As the Senator from Montana has said, we have been trying to lay down guidelines as to how many of the countries of the globe should conduct their affairs up to this point.

But until we can determine with some degree of accuracy how the affairs of our own Nation ought to be conducted, I think it ill behooves us to try to force our image and opinion on every other country, large or small, with which we come in contact.

Mr. MANSFIELD. I thank the distinguished Senator from Vermont for his comments. As always, he has hit the nail on the head.

PRESERVATION OF WILDLIFE AND BEAUTY

Mr. MOSS. Mr. President, will the Senator yield me 2 minutes?

Mr. MAGNUSON. I yield 2 minutes to the Senator from Utah [Mr. Moss].

Mr. MOSS. Mr. President, an improved program of protection for the Nation's wildlife and beauty, and better stewardship of the public domain, is a compelling interest in this country. The Kennedy administration has made this a principal objective; State and county official and citizen groups work at it constantly, and there are millions of sportsmen and nature lovers throughout the country who have made conservation a personal crusade.

Among the most effective leadership in this field is that of Mr. Harold S. Crane, director of the Utah State Department of Fish and Game. Mr. Crane has received an award from the Department of the Interior for his work, and is also the recipient of the Jim Bridger Award of Utah State Forestry.

At the recent annual convention of the International Association of Game, Fish, and Conservation Commissioners, in Minneapolis, which was attended by experts from the United States, Canada, and Mexico, Mr. Crane was elected chairman of the executive committee. He was also one of the principal speakers, giving the excellent speech on conservation and recreation which summarized results of a questionnaire on wildlife management and conservation submitted to those responsible for these functions in most of our States. The results indicate many areas in which there is substantial agreement between the States and the Federal Government, but others in which we need greater cooperative efforts. Because I believe this speech to be of significant interest to all Members of Congress, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD at this point.

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

STATE'S VIEWS ON FEDERAL RECREATION PROGRAMS

(By Harold S. Crane, director, Utah State Department of Fish and Game)

Two and one-half years have passed since President Kennedy expressed his desires to identify his administration with a strong conservation movement. When he spoke at the dedication of the National Wildlife Federation's new home office, he commented on the material wealth and power provided to us by our natural resources and added that we must keep America a "place where wildlife and natural beauty cannot be despoiled," and where our people can "find the materials and spiritual strength upon which our greatness as a country depends."

Many conservation leaders at that time felt this to be the beginning of a new era of great opportunity, especially as the administration had indicated its awareness of the appalling and serious contradiction and conflict in the Federal effort brought about by the lack of centralized review of agency policies and programs for water, forest, parks, public land, wildlife, and recreation.

The Secretary of the Interior was to take the lead in resolving these conflicts. Consequently, 1 month later, at the 26th North American Wildlife and Natural Resources Conference, Secretary Udall spelled out the strong interest of the Department of the Interior in developing a new program with basic objectives of better stewardship of the public domain, emphasizing multiple use and indicating, among other things, that the Bureau of Land Management Advisory Board would be reconstituted to give a broader representation to other interests, including wildlife and recreation.

In May of last year at the White House Conference on Conservation, Secretary Freeman committed the Department of Agriculture to a program of increasing the recreational opportunities on both public and private lands. He made particular reference to recreation as a cash crop, indicating that this would bolster farm income, and at the same time, make good use of a portion of the Nation's surplus lands.

Certainly, it would appear that at last we now realize that the real wealth of our Nation consists not of reserves of gold or silver, but in the character, quality, and health of all the people and the abundance and variety of our natural resources.

It is true that in the transition from the saddle horse to the interstate, our natural resources have, indeed, been exploited in producing our present complex, specialized and demanding society. Thus, in the long struggle in the development of conservation, from Theodore Roosevelt to the present, the above declarations of encouragement, with the emphasis on recreation, including hunting and fishing, and the new spirit of cooperation that seemed evident, were sincerely welcomed.

The outdoors lies deep in the American tradition, and more and more people are finding here the renewing experiences necessary to help cope with modern life. "Today's challenge is to assure to all Americans permanent access to their outdoor heritage," so stated the Outdoor Recreation Resource

Review Commission, which was created by the 85th Congress to study the recreation problem.

What then is needed to provide outdoor opportunities to the American people? Certainly the demand is obvious. Almost 90 percent of our people participated in some form of outdoor recreation in 1960 on approximately 4.4 billion separate occasions. This activity is expected to triple in the next 37 years.

From the Outdoor Recreation Resources Review Commission report, we learn that people's wants are simple—"a path to walk along, an attractive road for a drive, a place to swim, or a shady hillside for a picnic." These things are wanted by people close to where they live, and we find most people now live in our growing metropolitan areas. Further, we learn that we have enough land and water, but fail to use it effectively. Access is a big problem.

SOME FEDERAL PROGRAMS

Now what are some of the Federal recreation programs? Since World War II, Government agencies have been hard pressed to meet user demands. The National Park Service is past midpoint in Mission 66, a 10-year program to make more effective use of the national park system. The Forest Service initiated Operation Outdoors and additional appropriated funds have contributed toward recreational development in our national forests. The Corps of Engineers, the Bureaus of Reclamation and Public Roads, the SCS, and others have indicated a diversion from single objectives as in the past toward multiple use, recreation being recognized as one of these. The Bureau of Land Management and the Bureau of Sport Fisheries and Wildlife are seeking legislative authority to recognize outdoor recreation in their programs.

It is anticipated that the newly organized Bureau of Outdoor Recreation will provide the promised coordination and leadership necessary in order that these and other groups of government—local, State, and National—may participate fully and consistently in a total national recreation program.

FUTURE FEDERAL PROGRAMS

Future plans for Federal action are incorporated in several recommendations of the Outdoor Recreation Resources Review Commission and may well be the programs that will be as follows:

RECOMMENDATIONS OF THE ORRRC

8-1. Federal high-density recreation areas (class I) that serve primarily local recreation needs should be placed under State or local government control. "There is no need why Federal agencies with national responsibilities should provide for local needs."

8-2. General outdoor recreation areas (class II) should be carefully planned for and developed at Federal reservoirs.

8-3. General outdoor recreation areas (class II) should be established at suitable locations in national parks and monuments. This would eliminate the need for further nonconforming development in natural environment (class III) and unique natural (class IV) areas and at the same time provide the necessary facilities and services for enjoyment of the areas. (This is good, provided they go far enough to include hunting and fishing.)

8-4. The Forest Service should identify and preserve unique natural areas (class IV) within the national forests.

8-5. The interpretive and education services of the Federal agencies should be expanded.

8-6. Congress should enact legislation providing for the establishment and management of certain primitive areas (class V) as wilderness areas.

8-7. The Bureau of Sport Fisheries and Wildlife should take the lead in dealing with the legal, economic, organizational and other problems related to the provision of public hunting and fishing opportunities.

8-8. Surplus Federal lands suitable for outdoor recreation purposes should be made available to State and local governments at no cost, with appropriate reversion clauses.

8-9. The Bureau of Indian Affairs should provide increased assistance to Indian owners in developing the economic potential of public outdoor activity on their lands.

8-10. In view of the urgent needs of urban dwellers for areas that can be used for recreation activities, the Commission endorses continuation of the recently authorized open space program.

8-11. Legislation should be enacted to permit consideration of public outdoor recreation benefits created by small watershed projects carried out under the Watershed Protection and Flood Prevention Act of 1954.

8-12. Certain programs and policies of the Department of Agriculture should be modified where practical to take account of their potential for proving public outdoor recreation opportunities. (As indicated, Secretary Freeman has called for the cooperation of agriculture and recreation. He said, "Ours is a nation of abundance of food and a shortage of recreation * * * outdoor recreation should become a cash crop.")

8-13. Federal and State Governments should give explicit recognition to recreation values in the planning and design of highways.

As indicated, the Bureau of Outdoor Recreation would function to coordinate Federal recreation programs. That this is needed is evidenced by the fact there are now over 20 Federal agencies involved in some aspect of outdoor recreation. The situation is similar in the States. Direction is needed. This new agency is to provide grants-in-aid, sponsor and conduct research, encourage interstate and regional cooperation and generally develop a national coordinated plan based on local, State, regional and national needs.

In discussing the subject further, I would like to present the results of a questionnaire sent to each of the States; make some additional comments and conclude with what I consider to be some constructive suggestions.

RESULTS OF QUESTIONNAIRE AND COMMENTS

1. In your opinion, through the Federal programs are States relinquishing their responsibilities in fish and game to the Federal Government? Yes, 25; no, 24; no answer, 1.

That one-half of our State administrators feel we are relinquishing our fish and game responsibilities is a serious accusation. The Federal Government has only the right to function in those powers and authority granted to it by the representatives of the people of the several States. All fish and game (except possibly for migratory species), within the various States, not held by private ownership, legally acquired, have been declared property of these respective States. Therefore, we must not lose initiative. Strong leadership within the States is essential to maintain our traditional ownership.

2. Do you feel there is unnecessary duplication of effort in Federal Recreation programs? Yes, 38; no, 10; no answer, 2.

As State administrators we can well wonder if the new spirit of cooperation that seemed evident over 2 years ago has not fallen by the wayside when over 75 percent answer "yes" to the above question. The dark cloud of inter- and intra-agency competition instead of cooperation still hangs heavily overhead. For example, this competition and duplication seems very evident at Flaming Gorge Reservoir where the National Park Service is planning to spend in excess of $8 million by June 30, 1969, for recreation development; whereas, the U.S. Forest Service, in turn, is spending an additional $2 million for similar developments. In this case two agencies are building five boat launching facilities with the accompanying campground and picnic areas on approximately 32 miles of reservoir in Utah. The U.S. Forest Service Sheep Creek boat ramp will be about 10 miles from the National Park Service development in Lucerne Valley. Primary access to both of these ramps will be through Manila with very little difference in road distances. With the present road systems, traffic will have to pass immediately by the Cedar Springs boat ramp to reach the Dutch John Draw ramp, both of which are being constructed and maintained by the U.S. Forest Service. With present roads, traffic would have to pass by both of these ramps to reach the National Park Service ramp on Antelope Flat. According to our best information there are no immediate plans for building additional highways north from the Dutch John area. As it now looks, almost all of the use will be at Cedar Springs and Lucerne Valley. Without a lot of additional road construction, I doubt if the public will pass one ramp and drive many miles to reach another that has no better facilities to offer.

It is my opinion that if either one or the other of these Federal agencies had complete management responsibilities, fewer facilities would have been considered adequate. Certainly there is a duplication of personnel.

3. If your answer to question 2 was "yes," do you feel the Bureau of Outdoor Recreation will help alleviate this situation? Yes, 27; no, 13; no answer, 10.

The Bureau of Outdoor Recreation is being critically observed. Either, as many hope, it will coordinate the whole recreation effort into an efficient operation or, as many fear, it will only duplicate data available elsewhere at time and expense, and become one more of several agencies trying to do the same job.

4. Will the present or proposed Federal recreational programs usurp States' rights to manage wildlife resources on Federal lands? Yes, 25; no, 21; no answer, 4.

Many States expressed considerable concern on this point. Generally they feel that if the States exert strong leadership this will not be a problem. Certainly there is plenty for the Federal agencies to do without encroaching upon the States rights to manage wildlife.

5. That land is constantly being withdrawn from public hunting and fishing through various means is well known. Would public hunting on any presently restricted Federal land benefit game management? Yes, 41; no, 7; no answer, 2.

Most of the "no" answers were qualified to apply only to their particular State. The policy set forth in the Leopold report of the National Park Advisory on Wildlife Management opposing a multiple use concept on park's lands, even in remote isolated areas away from headquarters and visitors, is typical of the attitude that game biologists and managers object to in the majority of the States.

The artificial environment, regulated superficially under man's influence, only approximates the primitive conditions and in many instances is hazardous to it. The State game departments cannot accept a purist attitude toward these areas in total, especially as these type of areas are theatened to increase with new acquisitions. Perhaps a reclassification of these single use areas under the ORRRC proposed system to include hunting would not be unrealistic.

6. (a) In your State, what is the present trend in private land ownership and wildlife? Hunting and fishing on these lands increasing, 25; decreasing 18.

Three States felt this condition to be static in their respective States. Many felt private clubs, organizations and companies, etc., by leasing these lands for hunting and fishing rights were responsible for increased

used. Some indicated this was a good trend as it took pressure off of public areas.

(b) Are Federal programs necessary to aid private recreational development? Yes, 11; no, 32; no answer, 7.

Several States felt the answer would be "yes" if the States failed to accomplish this.

7. If you have State parks, does your State game department manage the resource to include public harvest of game? Yes, 21; no, 28; no answer, 1.

This situation is similar to the national one where one use is permitted only in many States; however, several States indicated progress in opening these areas to multiple use.

8. (a) The land and water conservation fund bill advocates the collection of moneys through user fees for public use of Federal lands, including hunting and fishing. Are you in agreement with these proposals? Yes, 23; no, 26; no answer, 1.

Several of those who answered "no" indicated they would have answered "yes" if hunting and fishing were excluded. They were in favor of charging for use of developed areas and physical facilities only. This attitude was almost unanimous in the western public land States.

(b) If your answer to part (a) was "yes," do you feel that the States can justifiably oppose or discourage private landowners who wish to charge for recreational use their land? Yes, 3; no, 19; no answer, 1. (Only those who answered question 8(a) "yes" were requested to answer question 8(b).)

9. If the Federal Government charges user fees on public lands, could this not encourage private owners to do likewise, wherein they have not done so in the past? Yes, 46; no, 4.

Many felt this to be a good practice and encouraged it as it provides additional public use. The trend is in this direction. The Department of Agriculture, in particular, is encouraging landowners to capitalize on wildlife as a supplemental income. Fisheries and wildlife people must recognize this trend and aid in rural area or community development programs to safeguard and direct wildlife and fisheries needs.

10. In your State, is there a contradiction of effort in Federal programs involving different agencies or even the same agency. For example: Drainage and land improvement projects for agriculture, flood control, etc., by one group and land acquisition and development for recreational purposes by another? Yes, 36; no, 10; no answer, 4.

The channelizing program of the Pecos River and the Rio Grande in New Mexico, the drainage projects in southeast Missouri, the GSA disposing of lands, the ACP encouraging drainage in areas where the Bureau of Sport Fisheries and Wildlife is trying to restore marshes, the loss of fish and game habitat through public roads projects all are only typical of the multitude of reasons prompting over 70 percent of the State fish and wildlife administrators to object to many of the present programs. The coordination and cooperation called for by the President, especially between the Department of Agriculture and the Department of Interior, is evidently slow in materializing.

In spite of the stated objectives of the Bureau of Land Management, little more than window dressing has been given toward implementing the multiple-use concept. The advisory boards on the State and National levels have been reorganized to provide broader representation. The Bureau is to be complimented on this progress; however, amendment of the Taylor Grazing Act will be necessary before the local advisory boards can adequately represent other interests.

One area of serious conflict lies between the Bureau of Public Roads and the Department of Agriculture along with other agencies concerned with river resources. In spite of introduced legislation to require coordination, the Bureau continues to dominate the scene, giving insufficient attention to recreational resources in its expanded highway building program. The recently issued administrative order provides some hope, but I think we might be well advised to take a wait-and-see attitude. The States are woefully weak in not requiring better coordination among State agencies.

We hope the new era of great opportunity is not struggling in vain to escape from the old chasm of interagency jealousy and conflict.

11. Are hunting and fishing and wildlife resources being given adequate and proper consideration in Federal and State planning? Yes, 22; no, 23; no answer, 3. Several felt progress was being made, but not fast enough.

12. In view of the above questions, is there an apparent conflict in your State between wildlife interests and other forms of recreation? Yes, 26; no, 19; no answer, 3.

Those States with combined game, fish, and recreation departments were the ones that apparently have the fewest problems here. Zoning of water courses by State and local governments to restrict use and resolve conflicts involving power boating, water skiing, fishing, and other types of water sports is gaining favor.

AREAS WHERE MORE FEDERAL LEADERSHIP MIGHT BE EXPECTED

When we discuss State and Federal responsibilities, it must be against a changing background. Initially the Federal Government assumed major leadership and responsibilities in resource management, but over the years, the States have assumed increasing competency and have demonstrated a willingness and a strong desire to assume additional leadership and responsibility. In some fields, however, the Federal Government has been slow to recognize this change.

As pointed out earlier, there are some specific areas in which the States want the Federal Government to relinquish responsibility. There are others, however, which must remain a Federal responsibility and in which we should urge additional leadership. I would list these as follows, not necessarily in their order of importance:

1. The Bureau of Outdoor Recreation should be the central point for guidance and information on all phases of outdoor recreation. It should draw together the wealth of information now available on the natural resources aspect of outdoor recreation, together with the sociological and economic data and make this available to all agencies having responsibilities in the recreational field.

Further, the Bureau of Outdoor Recreation should outline research needs and suggest how these might be satisfied.

2. The Bureau of Outdoor Recreation should announce at the earliest possible moment its ideas on the type of recreation plans that will be required, both State and Federal, assuming ultimate passage of the land and water conservation fund bill. The States should be planning now to take advantage of Federal funds when, and if, they become available.

3. The Bureau of Outdoor Recreation apparently needs a stronger position in providing coordination, since it is obvious that inter-agency jealousies continue to hamper cooperation.

4. The Bureau of Sport Fisheries and Wildlife could deemphasize some programs which the States are entirely capable of handling. They could increase their efforts in developing waterfowl programs and concerning themselves more with the pesticide and pollution problems. More emphasis should be placed on research and less on law enforcement and management. I think it is also fair to suggest that the Bureau develop more imaginative programs. We have seen little new, with the exception of the wetland preservation program, and little as yet has been demonstrated here.

5. The Secretaries of Commerce, Agriculture, and Interior should be required to sit down and resolve questions concerning road construction and resource use. Funds should be made available to adequately protect recreational, scenic, and wildlife values. This matter appears to be a subject for Presidential and congressional concern.

6. While rural area development and community development programs require a grassroots approach, the Federal Government has basic responsibilities for guidance and leadership. The tremendous economic importance of wildlife resources has not received due consideration in rural area or community development programs. As wildlife people we must assume a portion of the responsibility because many community and rural areas are not aware of this untapped potential. Once rural and urban areas become aware of this important wildlife resource, wildlife will assume a positive, rather than a neutral or in some cases a negative value.

7. Several agencies of Government, but especially the Department of Agriculture, have been promoting the use of private lands for recreation purposes. While the Department of Agriculture must have final approval on the expenditure of its funds, the State fish and game departments should have greater responsibility in programing and project approval.

8. With the increased attention being given to the recreational use of private lands, there is a need for a national review of some of the very basic problems that will be encountered and suggestions and alternatives on how these might be satisfied. It is my understanding that the Department of the Interior is now preparing such a guide, and it would be my hope that it will be available soon.

9. One of the real problems that everyone will encounter as we develop recreational plans will be the role and responsibility of private industry and the local, State, and Federal governments. Private landowners can hardly be expected to undertake developments if faced with the prospect of public competition. By the same token, the specific role of local, county and State governments needs to be more clearly spelled out. Beyond this, there will be interstate responsibilities. The Federal Government, specifically the Bureau of Outdoor Recreation, could be helpful in thoroughly analyzing these problems and offering suggestions.

10. Federal pollution control activities under the Department of Health, Education, and Welfare are directed primarily at problem situations which pose a threat to human health and well-being. In view of the fact that all responsibility for pollution control by Federal agencies is vested in this Department, we strongly urge that more consideration be given to fish and wildlife interests than has been granted in the past.

I doubt if there is as deep a conflict between State and Federal responsibilities as sometimes assumed. There are some areas where we, as State administrators, want and expect to exercise more responsibility. By the same token, there are areas in which we would like to see the Federal Government assume greater leadership and guidance. We hope this will be forthcoming.

INDEPENDENT OFFICES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 8747) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1964, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE] on page 7, line 7.

Mr. PROXMIRE. Mr. President, I yield myself 15 minutes under my time on my amendment.

My amendment would cut back the subsidy for helicopter service from $5 to $3 million. There have been subsidies for helicopters for 10 years, ever since 1954. Originally this was supposed to be an infant industry needing a 2- to 3-year subsidy. The subsidy started at less than $2 million. Throughout the years it has grown steadily.

In connection with any subsidy we should examine the benefits to the Nation and the benefits to those who receive the service. Who travels on the helicopter service? This subsidy goes to only three cities, namely, New York, Chicago, and Los Angeles.

Very few people travel by helicopter. Only about 1 person in 7 ever flies. Only about 1 in 20 or 30 flies regularly. But only 1 in 1,000 uses helicopter service at all. Only 1 in 10,000 uses helicopter service regularly.

Those who use helicopter service are, by and large, people who can afford to pay for the service. They are mostly business people, who can afford to pay for it. They are, if not the most affluent, among the most affluent people in America.

In New York the sole helicopter service is between Wall Street and La Guardia and Idlewild Airports. On the basis of questioning, the time saved by using such helicopter service is 30 minutes. The proposed subsidy is close to $2 million for New York alone. When this subsidy benefits only those who want to save time by flying from Wall Street to one of the airports, the subsidy cannot be justified.

The Chicago situation is even less justifiable.

There was a time when Chicago had two international airports, Midway and O'Hare. Furthermore, those who want to get downtown can take a subsidized helicopter flight from O'Hare to Meigs Field, on Lake Michigan, which is only a few blocks from the Loop.

But Chicago has a surface freeway system from O'Hare Field downtown, which I have taken many times. It takes only about 20 or 25 minutes. It may take a little more time in the rush hour, but not much more. So the Chicago subsidy is to save a handful of people 10 or 15 minutes.

In Los Angeles the situation can be justified even less. There is only one international or national airport there, not several, as is the case of Washington, where perhaps helicopter service could be justified to some extent. Los Angeles has only one major airport. It is true that Los Angeles is spread over a very large area. It is true that there are 80 small airports in the area. But there is only one international airport. According to the testimony before the subcommittee, those who use the helicopter service are only 1 in 80 of those who fly. As I said before, only about 1 in 10 flies at all. In Los Angeles, very few people use that service. They are usually the leading motion picture and aircraft executives. If they want to use the helicopter service to save time, they should pay for it.

More than half the cost of travel by helicopter is now paid under subsidy by the Federal Government in these three cities.

If people want this rapid-fire, superlative service, they should pay for it, and they can pay for it.

The clinching argument on this question was made last year in conference. I should like to quote what the conferees said last year:

> The conferees agreed that subsidies for helicopters should be ended shortly; that this service should be made self-supporting or concluded.

The House provided $3 million in the bill this year, to be divided equally among the three cities, as the initial step in terminating the subsidy.

My amendment would return to the House level. It would not completely eliminate the subsidy. It is a moderate amendment, which provides what the House language provides.

Senators may say, "Give it another year at $5 million." We always like to go along with our colleagues, and colleagues can make impassioned pleas when they have certain installations in their particular States, and we are sympathetic with them. But we have been going along like this for years. Why should Senators say, "Give us another 1 or 2 years"?

It seems to me that the House action was sensible. It cut back the subsidy moderately, from $5 to $3 million.

I hope the Senate will take this opportunity to save $2 million by agreeing to the amendment.

I reserve the remainder of my time.

Mr. MAGNUSON. Mr. President, I want to take about 2 minutes. There is a great deal of merit in what the Senator from Wisconsin has said, but there are two sides to the coin. This is a problem the committee has had before it for many years. As a practical matter, the House always provides that there shall be an equal amount for all three cities for that service, and it just does not work. We are trying to get the bill in a condition in which the subsidy will not be taken away from the service.

There was the problem of new equipment. Two cities have had it. Los Angeles requires it because it is a growing area and has to give more service. The New York helicopter system had a bad accident, which will have serious effects. It has the new equipment, and is rendering much better service.

One of the reasons why New York has a larger amount than might be thought necessary is that a great deal of mail is hauled. I think the Senator from Rhode Island will recall that the Post Office Department was paying $2 a ton. I will obtain the figures and place them in the RECORD. If the Post Office Department would pay what others have to pay for carrying mail, we would see a different picture in New York. This problem was considered in committee. It was decided that instead of doing what the House has been doing, making cuts without any sense of practicality, we would do what the CAB suggested must be done under the law.

I would like to see the problem solved, because I believe there should be some helicopter service in other places in the country. The fact that it is limited to three cities keeps the situation frozen. I agree with the Senator from Georgia, that there is no better place in the country where helicopter service should be provided than in the Puget Sound area.

To come in from or go out to the airport requires a 5- or 6-hour drive around the Sound, to any of the communities to which one wishes to get, and that time could be cut to 15 minutes by helicopters. The terrain lends itself ideally to the use of helicopters.

The problem is being worked on, although I do not know how much progress has been made. The helicopter companies render service that is absolutely necessary. They are in the same position as the local transport airlines. It is almost an obligation to continue it, because CAB must make these payments whether it likes to do so or not. Under the law, as it now stands, a certain amount must be paid.

Secondly, there is a large investment in this service. Furthermore, I know of no more soul searching that has been occasioned in committee than in connection with this particular item.

Mr. MONRONEY. Mr. President, will the Senator yield me some time?

Mr. MAGNUSON. I yield the Senator from Oklahoma 5 minutes.

Mr. MONRONEY. I, too, can understand why the distinguished Senator from Wisconsin and many others question the helicopter subsidies. If it were only a matter of saving the people who use the service a half-hour's time or an hour's time in getting from the airports to the cities, to reduce the time of arrival in the central part of the city after the plane has arrived at the airport, or to make it easy to have transportation provided from downtown New York to the 3 great airports in New York City, or if this were purely a luxury service for 1 out of 100 or so air passengers, I could well understand the desire to reduce the subsidy by $2 million, as the distinguished Senator from Wisconsin proposes.

However, I point out, that the committee brings in a bill with a reduction of 15 percent from the budget estimate and from the recommendation of CAB, by cutting the bill from $5,775,000 to $5 million.

Our main interest is to try to create a new phase of aviation, a phase in which, when there are adequate machines to take care of the traffic, masses of traffic will be carried above the crowded, congested areas. In some of these areas the Federal Government must pay up to $50 million a mile in order to construct throughways to get across the sprawling cities to suburbs, and to various parts of the cities.

Whether this program will work, I do not know, but we are trying to make it work with turbopowered helicopters that carry 25 to 30 passengers, which offer for the first time an economical

seat-mile cost for transportation over the congested areas by means of the vertical takeoff and landing aircraft.

We are considering a growing industry; and if that industry can give us the machines, we shall be able to solve the problem, which is difficult. We shall be able to save much more money than we are now paying to construct throughways, to aid transportation to the suburbs.

The great manufacturers firmly believe in this probability. General Electric believes in it, and is investing a great deal of its money in engines and parts for participation in the helicopter program, and the production of turbopowered aircraft, which are more economical in the kind of operation we have in mind. Sikorsky has a similar machine. It has been operating for only 1 year, and already it has proved the value of the service.

The program of providing helicopter service has been in effect for 16 years. We tried to operate the system with reciprocal motors, in noisy, shaky, lumbering craft. This money does not apply to private industry alone, or the transportation of civilians alone. The military have also been seeking improved operations of helicopters.

I should like to see more than three companies in this operation, because we are now at the limit of what we can pay in subsidies. I do not want to see enlarged subsidies put into effect. That has been the issue, and that is where the complaints arise because, for example, we cannot give helicopter service to Washington or Atlanta.

We cannot provide the services for St. Louis, or to some other cities, and must limit it to three crowded airport complexes. Chicago does not have a complex now, and its business has gone down. The Los Angeles area, like the New York area, has a sprawling complex of airports. We have seen the airplane industry devote hundreds of millions of dollars to the production of subsonic jets. It may do it again by producing supersonic jets. This is an industry that may grow, if we do not kill it off in its infancy. So far only three areas that I have mentioned are receiving the service. We cannot provide it in any other area—not because we favor any particular area or any groups of companies, but because the amount provided for this service does not permit service anywhere else at this time. No one can make any definite prediction when the companies will be subsidy free. CAB has said that in 5 or 6 years they have not been able to say when that time will be. Now, it is said, they will stick their necks out and say they think that in 4 or 5 years a subsidy will not be necessary. With aircraft carrying 35 passengers, there is hope of reaching that goal.

We cannot put all the traffic into one airport, as was true with Washington Airport, or as would be the case with Idlewild or LaGuardia. It cannot be done in Los Angeles, and in many other places.

Vertical takeoff and landing service will be a great part of aviation. To save $2 million now will perhaps make useless the $250 million that has gone into the subsidies. I am certain that if the amendment is adopted the existing helicopter operation will be killed off. Perhaps Chicago can operate on $1 million, because it is the operation that is least necessary today. Its volume has gone down, while the volume in other areas has gone up. I believe we can expect the amount to be apportioned equally. I believe the Senator has copied the House language verbatim. Therefore under the Senator's amendment each of these areas would receive only $1 million.

If it is proposed to establish a measure for a subsidy, let the CAB decide what an operator is entitled to on the basis of miles flown—seat-miles and route-miles. To say that we are going to give a subsidy to each one every year would be extravagant.

The amendment, while it should be voted down, should cause us to evaluate a vital new part of the aviation industry, one which may eventually surpass the long-haul traffic operations in volume.

Mr. PROXMIRE. Mr. President, will the Senator from Oklahoma yield 30 seconds to me

Mr. MONRONEY. I yield.

Mr. PROXMIRE. The amendment merely changes the figures. It does not provide that $1 million shall be given, and no more than $1 million, to each of these cities, which I would think might or might not be practical; but there is nothing in the amendment itself that so provides. The amendment merely changes the figure—and only the figure—in the bill.

Mr. MONRONEY. I do not have the report before me, but the testimony in the hearings. The distinguished Senator from Colorado [Mr. ALLOTT], who is an expert on this subject, will support me, I believe, and say that the way the House amendment was drafted and the way the report language read, it would require the payment of equal amounts to all three companies, the needs of which are not equal, for their very existence and survival.

Mr. PROXMIRE. That question would be in conference, because all my amendment would do would be to change the figure.

Mr. MONRONEY. There would be nothing in conference. The Senator would restore and lock up a Senate committee item, and not afford an opportunity for negotiation with the House.

Mr. PROXMIRE. There is no language in the bill, as it will pass the Senate, which provides that this amount must be increased, or must be equally divided among the three cities.

Mr. MONRONEY. But the only change the Senator proposes is in the amount; therefore, there would be nothing in conference if the amount were the same. Therefore, we would be locked in with the amount the House has written into the bill. The testimony in the hearings was that every one of the companies would have to share, and share alike.

Mr. PROXMIRE. The Senate report is different.

Mr. MONRONEY. But the Senator's amendment would overturn the Senate report, which is based not upon the $5,775,000 that was asked for, but on the reduction of 15 percent that made up the $5 million figure. If the Senator's amendment should change the amount to the identical amount that is in the House bill, we would have nothing with which to go to conference with the House.

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

Mr. MONRONEY. I yield.

Mr. COTTON. As a member of the Subcommittee on Air Transportation of the Committee on Commerce, of which the distinguished Senator from Oklahoma is the able chairman, and as a member of the subcommittee which considered the bill, I commend the Senator for what he has said and associate myself with his statement.

Mr. MONRONEY. I deeply appreciate what the distinguished Senator from New Hampshire has said. He has been most helpful and cooperative.

The biggest thing ahead of us in aviation is not supersonic transportation. The big advance of the future will be in traveling short distances in vertical-landing-and-takeoff aircraft. If we cannot develop an economical means of air transportation for commuter service, we shall hamper our coast-to-coast air traffic. Headway is being made. Considerably more headway has been made in the past year or two in vertical takeoff and landing development. If that program is successful, we will shortly see greater progress than we have seen to date.

Mr. MAGNUSON. Mr. President, I yield 5 minutes to the Senator from Colorado.

Mr. ALLOTT. Mr. President, it would be clearly illogical to say that the arguments made by the Senator from Wisconsin have no weight. They have. But I believe there is one part of the record that ought to be made clear, if we are to understand the question or to act upon it intelligently.

When the authorization for helicopter service was made, it was made upon the basis and the understanding that an experiment was to be conducted; that it was to be the basis for determining whether a service could be operated economically in short hops by means of vertical takeoff and landing craft, whether it be a helicopter, or "chopper," as we call it, or some other craft.

When the program was started, the only craft that were available were some piston-powered helicopters. There was never any contention, so far as I know, by anyone, that the small, piston-powered helicopters could ever justify themselves. But they did justify themselves, because it was upon the experience that was gained from many hours of operating in the Korean war that the U.S. Government was able to go into full-scale production and utilize helicopters during that war. In the recent hearings, we received testimony that the helicopters had effected a saving to the military of more than $75 million.

Now we are considering the present situation. For years, we have been look-

ing forward to a cheaper and more economical helicopter. We have seen the advent of the turbine-powered helicopter. Two companies produce it. As has been said, they are two different types of helicopter. There has never been any contention—and I wish to make this perfectly clear for the record—by anyone who I have heard testify in the 5 years I have served upon this committee that the piston-powered helicopters could ever pay their way.

The statements made by the managers of the Los Angeles system and the managers of the New York system were that when turbine-powered helicopters begin operations, the cost will be increased for the first few months—perhaps for the first year of operation. After that, they expect the cost to drop dramatically. Both the New York company and the Los Angeles company presented to the committee graphs, showing that exactly this has been the case. Those companies began to receive their first helicopters in the calendar year 1962. Some of their equipment has not been delivered, even into this year. Some of it is still expected. By the way, the Government has guaranted the greater portion of the purchase price. So if we should jerk the props out from under them—and $3 million would jerk the props out from under them completely—the companies would be up against a wall, and the Government would be up against the necessity of making good the guarantee of payments for the helicopters.

The operators of the helicopter systems have said, in addition—and this has been their uniform testimony in the 5 years I have been a member of the committee—that after the first increase in cost—what they call their landing period in the operation of the helicopters—the cost would drop off immediately.

The operational figures of both companies, as given to the committee, showed dramatically that this has been the case. I wish to make it perfectly clear that I do not favor extending the subsidy ad infinitum. The companies are now in their second year of operation with the turbine craft. It would be logical for Congress to say, in effect, that the Government will support them through the first learning period, 2 or 3 years.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired. The Senator from Washington has 2 minutes of his allotted time on the amendment remaining.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Colorado 2 minutes on the bill.

Mr. ALLOTT. I wish to make it perfectly clear that while the companies are in the developmental period, the Government should stay with them; but I believe we ought to say to them that at the end of next year, or the year after, we shall end all subsidies. We should tell them that if they cannot operate thereafter on a profitable basis, the subsidy will be withdrawn. But I wish to make it clear that at no time have they ever claimed that they could operate on a subsidy-free basis at the end of next year or the year after.

Mr. President, I yield back the remainder of the time allotted to me.

Mr. MAGNUSON. Mr. President, will the Senator from Colorado yield for a question?

Mr. ALLOTT. I yield.

Mr. MAGNUSON. The operators of the helicopter services have been very free about letting us examine their records, including their operating costs, their profit sheets, their taxes—anything at all. We have found that their operations are about as down-to-earth as they could be. No large salaries are involved. If there is any benefit derived, the passengers will get it.

Mr. ALLOTT. And the cities involved.

Mr. MAGNUSON. And the cities involved.

Mr. KUCHEL. Mr. President, will the Senator from Washington yield 2 minutes to me?

Mr. MAGNUSON. Mr. President, I yield 2 minutes on the bill to the Senator from California.

Mr. KUCHEL. Mr. President, we are dealing here with the wave of the future in transportation. Congress has established the policy that it is in the national interest for the Government of the United States to assist in the pioneering of helicopter operations in large metropolitan areas, in order to determine the feasibility of enabling American business and American citizens to reach airports from their houses in suburbia more quickly— and safely—than driving through dense automobile traffic.

What has been said today by three able Senators who are knowledgeable in this field—the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Colorado [Mr. ALLOTT]—has amply demonstrated that this program will serve the national interest. I regret the proposed amendment which would scuttle it.

I was particularly interested in one comment which the Senator from Colorado made on the value of the program to the military. Listen to what the chairman of the Civil Aeronautics Board said. I read from page 268 of the committee hearings:

> Mr. BOYD. I would like to add one thing, Mr. Chairman.

He was addressing the chairman of the committee, the distinguished Senator from Washington [Mr. MAGNUSON]. Then Mr. Boyd said:

> While we don't feel and we never have attempted to base the concept of helicopter service on savings to the military, there is some very good evidence that the helicopter scheduled operations have saved the military far more than the total amount of subsidy that has been paid for the helicopter operations.
>
> We have information to this effect not only from the manufacturers but from the Department of Defense.

The Senator from Colorado specifically documented that argument in terms of the use of helicopters in the Korean conflict.

I speak in vigorous opposition to the amendment of the Senator from Wisconsin because it flies in the face of the wave of the future in regard to the transportation needs of the American people. So I hope this amendment will be rejected, and I hope this program will continue to run its reasonable course, until the American people will have before them examples of feasible helicopter service available to any American metropolitan area to those who want progress in air transportation in the United States.

Mr. PROXMIRE. Mr. President, I believe I have 10 minutes remaining. I yield 3 minutes of those to the senior Senator from New York [Mr. JAVITS], although I believe he will use that time to attempt to devastate the position I take.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, I thank the Senator from Wisconsin for his courtesy, and I hasten to assure him that I shall not devastate his position. All of us respect him highly.

However, I believe some local facts should be pointed out. The Senator from California, the Senator from Oklahoma, and other Senators have set forth the basis for this operation in connection with the aircraft industry.

This operation probably makes the greatest single contribution that is made in connection with air transportation in metropolitan areas and in connection with solving the existing problems in those areas incident to automobile travel and traffic. I associate myself with the remarks of those Senators.

In addition, I point out this operation is not making a profit. This is a very important point. From the remarks of the Senator from Wisconsin, one might conclude, "If they want to run helicopters, let them pay for the operation." But I point out that the United States would be the one to pay for it, both as regards the purchase of the helicopters, their maintenance, and the conducting of the experiments. That would be the result if in the future—as a result of the adoption and enactment of this amendment, if that were to happen—this operation were to be drastically curtailed.

Mr. MAGNUSON. Mr. President, at this point will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. MAGNUSON. I have often heard it asked, "Why should this be done to enable people to reach Wall Street more easily?" However, it happens that the Battery is the place in the lower part of New York City where helicopters can land; and from that area people can move by means of the subways and automobiles to the other parts of the New York City area. So the helicopter service to the Battery is not at all for the sole benefit of those who work in Wall Street. It is a fact that great numbers of New Yorkers work in that area of New York City, and improved transportation service to it is essential.

Furthermore, I point out that in the 9 months ending in September 1963, the New York Airways Co. lost $140,000, but the company still has an outstanding debt in connection with the purchase of

the turbine-powered helicopters which it now uses; the company still owes $2,600,000 of the $3,200,000 required for their purchase. So if this item is reduced to $3 million, it will be impossible for the company to pay off its obligations, and it will have to shut up shop.

The PRESIDING OFFICER. The time yielded to the Senator from New York has expired.

Mr. JAVITS. Mr. President, may I have an additional minute?

Mr. PROXMIRE. I yield 1 more minute to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for an additional minute.

Mr. JAVITS. I thank the Senator from Wisconsin.

So, Mr. President, it is clear that it would be just as well to eliminate the entire item, rather than to reduce it from $5 to $3 million.

Furthermore, this activity is conducted by private enterprise.

In addition, in Vietnam our forces are operating with helicopters; and the experience gained in operating them in New York and Chicago supports the operation of helicopters by our forces in Vietnam, both in terms of operating and maintaining the equipment.

Inasmuch as the company is losing money and cannot maintain itself unless we provide at least the proposed $5 million, and inasmuch as it has already been shown that both from the point of view of our metropolitan areas and from the point of view of our military forces, this operation is an extremely desirable one, certainly those who are operating the company are entitled to credit for rendering assistance to the rest of the people of the United States.

Mr. KEATING. Mr. President——

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the distinguished junior Senator from New York [Mr. KEATING], who no doubt will continue the assault on the position I take.

The PRESIDING OFFICER. The junior Senator from New York is recognized for 2 minutes.

Mr. KEATING. Mr. President, I thank the Senator from Wisconsin. His yielding to me is typical of his customary generosity. It is very kind of him to yield time to Senators who oppose the position he takes. All of us who serve with him know that he is always most fair.

Mr. President, it seems to me that the Senator from Oklahoma made a very strong case for continuing the Federal program for certificated helicopter operations. Obviously, if the item we are debating were drastically cut or eliminated, and if the certificated operations were forced to end—as would have to be done if the proposed reduction were made—the Federal Government would have to take them over in order to maintain vital and needed public services. And in view of their largely experimental character, the Federal Government would have to assume all the burdens and risks incidental to making further progress in this area—a task for which I believe the Government is ill equipped and which, therefore, it should not be asked to undertake.

The $5 million in payments to helicopter carriers which is called for by the committee amendment compares very favorably with the $6,042,000 in 1962 and the $5,378,000 in 1963. Prospects are that if the operations are permitted to continue, further gradual reductions can be made.

I entirely agree with the Senator from Colorado that we cannot and should not continue the subsidy forever. On the other hand, to terminate it abruptly, as would be done by the proposed reduction of helicopter payments to $3 million, would literally throw away the beneficial results of our experience with certificated helicopter operations, and would deprive the traveling public of needed services. It would also put many persons out of work and have other devastating side effects.

It is important to stress the point made by the Senator from Washington and commented on by my colleague from New York; namely, that the three existing helicopter carriers are a crucial link in the national and international transportation network and by no means can be said to serve only local interests. To take New York Airways as an example, only 4 percent of its patrons use its services for purely local transportation. Ninety-six percent of its passenger movements, to the contrary, form part of longer haul trips in domestic or international commerce. It is, therefore, the national and not a local interest which we are talking about now.

But if I may be permitted a brief parochial note, let me point out that in 1964 and 1965 we will be having something called the New York World's Fair. The Senator from Washington is familiar with it; and I know he will be there, and we will receive him in the same way in which he so graciously received many of us at the Seattle Fair.

The PRESIDING OFFICER. The time yielded to the junior Senator from New York has expired.

Mr. PROXMIRE. Mr. President, I yield 1 additional minute to the junior Senator from New York.

The PRESIDING OFFICER. The junior Senator from New York is recognized for 1 additional minute.

Mr. KEATING. I thank the Senator from Wisconsin.

So, Mr. President, from the parochial point of view, the proposed reduction to the $3 million voted by the House would be absolutely devastating, for it would end the operation of New York Airways just at a time when not only will its services be required more than ever before—for New York Airways plans to have direct flights from the Pan Am Building in midtown New York to the World's Fair site; but also just when, with the added revenues to be derived from such flights, New York Airways will for the first time have a realistic chance of converting its experiment into an economically sound operation and eventually withdraw from all Federal assistance.

Therefore, Mr. President, for these two reasons—first, because the proposed reduction would not be in the national interest, which, of course, is what we must concern ourselves with chiefly in dealing with these matters; and, second, because of the harmful effect such a reduction would have on transportation services in metropolitan areas—certainly this amendment should be rejected.

This is not the time for an abrupt cutoff. I appreciate the work which has been done by members of the Appropriations Committee on both sides of the aisle in relation to the figures at which they have arrived.

Mr. PROXMIRE. Mr. President, I yield myself 5 minutes, all of which I probably will not use.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 5 minutes.

Mr. PROXMIRE. The distinguished Senator from Oklahoma has talked about the proposal as a new phase of aviation. The distinguished Senator from California called it the wave of the future. We have been giving away this subsidy now for 10 years—since 1954. It has been said year after year that we will get off it. The wave of the future, the new phase, seems to be continued giveaway for an uneconomical service the market will not buy.

We all recognize that the State of California is a magnificent State, with a marvelous climate, many attractions—and with billions of dollars of defense contracts. It has by far the largest concentration of people working in industries subsidized by the Federal Government.

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

Mr. PROXMIRE. I yield.

Mr. KUCHEL. Is the Senator from Wisconsin trying to prejudice the Senate against the State I represent?

Mr. PROXMIRE. Of course not. I started by saying that California was a great State, with a salubrious climate and many attractions.

Mr. KUCHEL. I object to the comment of the Senator from Wisconsin on the subject of defense contracts as being irrelevant and immaterial to this debate.

Mr. PROXMIRE. It is relevant and material. We already provide large amounts of Federal money which is beneficial to the State of California. But we are now providing also, on a discriminatory basis, that only Los Angeles, New York, and Chicago shall receive this particular subsidy benefit.

It has been said that we would be off subsidies in 1964–65. Every realistic Senator knows that we will never be off subsidies unless we do what the House has done—start cutting down. This is a subsidy that is going up. It started with less than $2 billion, and now it is $5 billion.

It was said by the distinguished Senator from New York that if we discontinue subsidies the American people will have to pay for these helicopters. It is said that we permit a situation to develop in which we can be locked into a subsidy and Congress is told it has lost its power to get out of it. We should provide for a tapering off, and bring about a reduction of $3 million in the coming year.

I conclude by contending that many of those who are interested in cutting

spending somehow find a soft spot, when it comes to reducing subsidies for business or those who operate primarily in the top echelons of business.

I know that the amendment will not receive very much support in the Senate. I know that the amendment to cut out the supersonic plane will not get very much support, and an effort to cut down FAA will not get very much support.

There is an obvious reason for this. The people who are most influential and affluent in our society have been getting great benefit from Government spending. No one ever talks about that. It is not discussed in editorials. It is not usually discussed in the Senate Chamber.

The most rapidly rising Government spending is not in the farm area or in defense. The most rapidly rising area is in subsidies to business—in water transportation, in the promotion of business, and in aviation.

This helicopter subsidy is a small subsidy, but it seems to me it is the least justifiable of all. So few get it. We have had it for a long time. The Senate agreed with the House in conference last year that the subsidy should be terminated; but we continue it year after year.

Mr. President, if the Senator in charge of the bill is ready, I am ready to yield back the remainder of my time.

Mr. MAGNUSON. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was rejected.

Mr. KUCHEL. Mr. President——

Mr. MAGNUSON. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. ALLOTT. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I call up my amendment No. 322, and I ask unanimous consent that the amendment may be printed in the RECORD without being read.

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

The amendment, ordered to be printed in the RECORD, is as follows:

On page 11, line 25, change "$535,000,000" to "$515,775,000" and add the following: "That total costs of aviation medicine, including equipment for the Federal Aviation Agency, whether provided in the foregoing appropriation or elsewhere in this Act, shall not exceed $5,100,000 or include in excess of 15 positions: *Provided further,*".

On page 13, line 19, change "$45,000,000" to "$35,000,000".

On page 14, line 3, change "$3,663,000" to "$3,500,000".

On page 14, line 12, change "$4,045,000" to "$3,810,000".

Mr. WILLIAMS of New Jersey. Mr. President, I wonder whether the distinguished Senator from Washington [Mr. MAGNUSON] would join me in a discussion of the language in the report which appears at the bottom of page 21, which states:

The committee notes the conflict of asserted jurisdiction in the field of administration of common trust funds. It is our opinion that national banks are adequately supervised by the Comptroller of the Currency, and directs that no funds appropriated in this bill be expended by the SEC for that purpose.

The Senator from Washington knows there is controversy and conflict in the asserted jurisdiction in this area. The Senator also knows there is a bill before the Committee on Banking and Currency on which hearings have not yet been held, which would grant jurisdiction in this matter to the Comptroller of the Currency and the other Federal bank supervisory agencies. Yesterday, the distinguished Senator from New Mexico [Mr. ANDERSON] expressed his strong opposition to this approach to legislative problems through Appropriation Committee reports. We know the legislative or parliamentary fact that there is no way to strike it from the report. Therefore, I wish to discuss briefly with the Senator what the possible effect of this language would be. Before I do so, I should like first to yield to the distinguished Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, will the Senator yield to me now, inasmuch as I have another committee meeting which I must attend?

Mr. WILLIAMS of New Jersey. I am glad to yield.

Mr. ROBERTSON. The full Appropriations Committee met in the office of the full committee over in the New Senate Office Building to mark up the bill. We had come to the Senate Chamber without quite finishing it.

So far as I knew, at that time there was only one money item that had not been acted upon. I had another engagement, and I had not reached the Capitol when the committee voted to insert in the committee report language which would settle an issue that is still pending before the Banking and Currency Committee.

Senators will recall the excellent work which the distinguished Senator from New Jersey [Mr. WILLIAMS] did on the SEC's proposed amendments to the Securities and Exchange Act this spring and summer. I believe the Senate adopted the measure, S. 1642, unanimously. I do not remember one vote against it.

After the hearings had been concluded, I received a letter from the American Bankers Association asking me to present to the committee an amendment that would have put the operations of banks as to pooled managing agency or custody account funds under the exclusive control of the Comptroller of the Currency, and to exempt these pooled funds from the Investment Company Act of 1940. I said, "The proposal is controversial. We have had no testimony on it. I could not propose that amendment to the committee at this stage of the proceedings." So I did not.

Subsequently, the distinguished Senator from Colorado introduced that bill, S. 2223.

The committee has been so burdened with other work that it has not gotten around to acting on it.

Today for the first time, I find that during my absence the Appropriations Committee took jurisdiction away from our committee and inserted, in the committee report on the pending bill, language which would exempt, or which would try to exempt, the banks from this regulation. But they cannot exempt them from the criminal provisions or from possible liability to third persons for violation of the act. Some banker may be mislead into doing things which would put him in jail by taking from the committee that handles the bill jurisdiction over the subject, by writing that language into the committee report. It is just that simple.

Mr. MAGNUSON. Mr. President, will the Senator yield so that I may answer the question?

Mr. WILLIAMS of New Jersey. I yield.

Mr. MAGNUSON. I do not know where the Senator from Virginia was——

Mr. ROBERTSON. I know where I was. I know where the Senator was when he did it.

Mr. MAGNUSON. We were down in the basement.

Mr. ROBERTSON. The Senator had left the main committee room.

Mr. MAGNUSON. The full committee was meeting in the Appropriations Committee room, but we—including the Senator from Minnesota and the Senator from Colorado—came over here at 2 o'clock because the Senate was in session. We had a majority. The chairman of the committee, the distinguished Senator from Arizona [Mr. HAYDEN], presided. But we did meet 3 hours down there. The Senator was very near, but he was not present at the meeting. He might have had a good reason not to be there, but surely there was no intention on the part of the committee to discuss the subject in some way when the chairman of the Banking and Currency Committee was absent.

The committee decided this.

The language in the report is intended to do the reverse of what is suggested by the Senator from Virginia. It is not intended to take jurisdiction away from the Senator's committee, but to hold this matter in abeyance, when there is a conflict and a controversy as to who has jurisdiction, until the committee can make a decision.

Mr. ROBERTSON. Does not the language state——

Mr. MAGNUSON. Will the Senator permit me to finish?

Mr. ROBERTSON. Does not the language state, in effect, "You shall not enforce the law"? There is a criminal penalty in the law, but it is not to be enforced.

Mr. MAGNUSON. I should like to finish my answer.

We merely say that for the purposes of the bill, which will be in effect only until next July—and I hope this will be settled by that time—the SEC should not try to proceed to move further into this field, in effect, until the committees have made up their minds. That is all

we wish to do. That is all the committee intended.

That is the best answer I can give, as chairman. I do not have any great knowledge about all the details, but I know that a controversy has been in progress as to who has jurisdiction.

I have said on many occasions that the controversy should be settled and that the Congress should settle it. I believe Congress will.

In the meantime, from what I know about national banks, they are pretty well examined. Some of the securities underwriters do not like this, I suppose, because it might slow up a little of their business. I do not know that to be a fact, but it is what the people who are in the business say.

We are not saying that this should not be done or that there should not be a complete examination. We are merely saying that until the Banking and Currency Committees of the Congress make up their minds there should not be a further proceeding in this field.

Mr. ROBERTSON. Let me state the legal aspect.

Mr. MAGNUSON. I am merely reflecting the committee view.

Mr. ROBERTSON The Investment Company Act of 1940, was carefully considered by the Congress, based upon many months of study of the matter by the SEC and the security industry, and Congress passed that bill. The SEC is convinced that the act put banks, with respect to such transactions, under that law, except for certain specified exemptions, and provided a criminal penalty if they should violate it.

A Member of the Senate introduced a bill to take the banks out from under the Investment Company Act. The Banking and Currency Committee has not gotten around to the point of acting on that bill, so now somebody from the Appropriations Committee steps in to say, "No money under the bill can be spent to enforce the law."

Mr. MAGNUSON. Oh, no; that is not a proper interpretation.

Mr. ROBERTSON. I ask the Senator to read the language.

Mr. MAGNUSON. That is not a proper interpretation at all.

Mr. ROBERTSON. That is what I think it states—that the law should not be enforced. Remember that there is a criminal penalty involved in the Investment Company Act, and a bank which goes into this new field may be subject to criminal penalties.

Mr. MAGNUSON. We will make the legislative history clear, if that is the way the language is being interpreted. It is now being made clear. That was not the intention at all. It was merely an intention to hold things in abeyance until the committees can make up their minds.

Mr. ROBERTSON. That is entirely satisfactory with the chairman of the committee.

Mr. MAGNUSON. There was no such intention as the Senator has stated.

Mr. ROBERTSON. The House conferees would not agree to this, as we would not agree to their legislating about area parks. They will make a report saying that they are not bound by this language. Then it will be said, "We mean it one way, and you think it means something else."

Mr. MAGNUSON. We mean it the way we have said. The Senator's interpretation is not what we meant.

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

Mr. MAGNUSON. For the record I should like to make one statement first. The Senator from Colorado conducted an examination into this field. He is very knowledgeable in the field because of his past experience in private life. I am sure he can add some comments to allay any concern Senators may have.

Mr. ROBERTSON. Before he allays my concern, I should like to read the language for the record. Then it can be explained.

Mr. MAGNUSON. I know what the language is.

Mr. ROBERTSON. The report states that the committee "directs that no funds appropriated in this bill be expended by the SEC for that purpose." That is, to make the banks conform to the law Congress passed. If that does not mean the law is not to be enforced, I cannot understand plain English.

Mr. MAGNUSON. We thought we were doing the committee a favor, until it could make up its mind.

Mr. ROBERTSON. Yes. This language attempts to repeal the law until we get around to deciding whether we wish to repeal it or not.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield so that I may ask a question?

Mr. MAGNUSON. I yield.

Mr. WILLIAMS of New Jersey. Would not the Senator agree that language in a committee report cannot amend existing law?

Mr. MAGNUSON. Of course it cannot.

Mr. WILLIAMS of New Jersey. Therefore, if a bank's activity in an investment area places it in the category of an investment company, the Investment Company Act of 1940 would apply, and any violation could be prosecuted.

Mr. MAGNUSON. Of course it could. We could not repeal the law by language in a committee report.

Mr. JAVITS. Mr. President, will the Senator yield for a point of fact?

Mr. MAGNUSON. I yield.

Mr. JAVITS. I believe the argument of the Senator from Colorado will fit in with this statement. Can the Senator not say that all that is intended is to continue whatever is now the situation?

Mr. MAGNUSON. And nothing further should be done.

Mr. JAVITS. That is correct.

Mr. MAGNUSON. Until the committees can make up their minds. That is correct.

Mr. JAVITS. The reason is that the SEC does have some jurisdiction——

Mr. MAGNUSON. That is disputed.

Mr. JAVITS. The SEC does have some jurisdiction and may have some problems in connection with the mandate to enforce existing law to the extent it is now proceeding. What we do not wish to do is to push further into this field with the money appropriated.

Mr. MAGNUSON. That is correct.

Mr. JAVITS. If that is the intention, everybody understands it. This is what the SEC is now doing. It is asked to do nothing further until Congress passes upon the question. That is a fair "freeze." I agree with the Senator from Virginia [Mr. ROBERTSON] that the language in the report goes further. It is all right, so long as we have a clear understanding that we are putting on a "freeze" so that nobody will move further.

Mr. MAGNUSON. That was the situation.

Mr. HUMPHREY. Let us get it clear that the present proceedings of the SEC in present cases are not to be affected.

Mr. JAVITS. Naturally.

Mr. HUMPHREY. We must make that crystal clear.

Mr. JAVITS. The SEC will continue to exercise the powers it is exercising now, to the extent it is exercising them.

Mr. HUMPHREY. Under existing law.

Mr. ALLOTT. And to the extent the SEC is permitted to exercise them.

Mr. JAVITS. They are not to push further.

Mr. ALLOTT. And they are not to expand the budget by another $250,000 or $500,000 in order to push into a field which is at best, at the moment, in great dispute.

We honestly believed when we entered this area that we were helping the Congress. Instead of getting over into the jurisdiction of another committee, I believe we properly performed the duties of the Appropriations Committee, because this is an area which is under dispute.

I refer Senators to the fifth report of the Committee on Government Operations of the House, made this year. It is a long, detailed report. I know the Senator from New Jersey [Mr. WILLIAMS] has read it completely. It is on this subject. It goes into detail, discussing not only the legal aspects, but also the historical and policy aspects of the question.

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

Mr. ALLOTT. I yield.

Mr. SALTONSTALL. As one who sat beside the Senator from Colorado and listened to the language as it was put into the report, I believed, when I listened, that it would merely do what the Senator said, that it would merely prevent the use of the funds for extended activity until Congress could determine exactly what the law is.

Mr. ALLOTT. There are two ways that this could be accomplished. One would be by court action. The other would be by action of the Congress. I am sure we all agree that the better way is by congressional action.

If the Senator will yield for this purpose, I ask unanimous consent to have printed in the RECORD at this point an excerpt from the fifth report of the Committee on Government Operations entitled "Common Trust Funds: Overlapping Responsibility and Conflict in Regulations."

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

COMMON TRUST FUNDS: OVERLAPPING RESPONSIBILITY AND CONFLICT IN REGULATIONS—REPORT BASED ON A STUDY BY THE LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE

INTRODUCTION

Overlapping authority and duplication of regulation by administrative agencies lessens the efficiency of the operations of the executive branch and is wasteful of taxpayers' dollars. The effect on the persons and industries involved is to subject them to confusion and to the hardship and expense of attempting to alleviate the situation thus created.

A responsibility of the Legal and Monetary Affairs Subcommittee of the House Government Operations Committee is to examine and evaluate the efficiency and economy of the operations of certain executive branch departments and agencies. In the inquiry here reported the subcommittee examined the operations of the Office of the Comptroller of the Currency of the Department of the Treasury and of the Securities and Exchange Commission in a matter arising from the revision of the Comptroller's Regulation 9,[1] which governs the exercise of trust powers by national banks.

On February 5, 1963, the Comptroller of the Currency announced a proposed adoption of provisions under which, inter alia, trust departments of national banks would be permitted to collectively invest in common trust funds the moneys deposited with them in managing agency accounts, and under self-employed (Smathers-Keogh Act) retirement plans. Shortly thereafter the Securities and Exchange Commission publicly asserted that the Securities Act of 1933 and the Investment Company Act of 1940[2] could apply to certain uses of such collective investment funds. The Comptroller strongly refuted their applicability. On April 5, 1963, while the conflict of views between the agencies remained unresolved, and before the Commissioner of Internal Revenue had ruled on the income tax aspects involved, the Comptroller put into effect revised regulation 9.

The power and authority of the Comptroller to permit banks to establish common trust funds authorized by the revised regulation was not questioned by the Securities and Exchange Commission and was not an issue for the subcommittee. The questions relating to the tax status of such common trust funds are pending before the Commissioner of Internal Revenue. The subcommittee was concerned with the fact that in this important matter the agencies were applying different standards and criteria to the same Federal statutes; and with the consequences of such action.

To lay a basis for resolution of the problem, a hearing was held by the subcommittee on May 20, 1963. Witnesses who appeared were the Honorable William L. Cary, Chairman of the Securities and Exchange Commission; the Honorable James J. Saxon, Comptroller of the Currency; Mr. Charles W. Buek, president of the United States Trust Co. of New York, appearing on behalf of the American Bankers Association; and Mr. Robert L. Hoguet, Jr., executive vice president, First National City Bank, New York, N.Y.

FINDINGS AND CONCLUSIONS

1. Section 584 of the Internal Revenue Code, and its antecedents, exempted a common trust fund from income tax if maintained by a bank exclusively for the collective investment of moneys contributed by the bank in its capacity as a trustee, executor, administrator, or guardian and in conformity with the regulations of the Federal Reserve Board.

2. During the quarter century (1936–62) when the Federal Reserve Board supervised common trust fund operations of national banks, the funds were restricted, by Board regulation, to moneys contributed by banks in their capacities as trustee, executor, administrator, or guardian.

3. The Securities and Exchange Commission considered such common trust funds exempt from the Investment Company Act of 1940 under the specified exemption in section 3(c)(3) thereof, and from the Securities Act of 1933, as involving no public offerings of securities.

4. On September 28, 1962, Public Law 87–722 transferred the authority over trust powers of national banks from the Federal Reserve Board to the Comptroller of the Currency.

5. On April 5, 1963, the Comptroller of the Currency issued revised regulation 9 which, among other things, permits national banks to maintain common trust funds of managing agency accounts.

6. The Comptroller, contemporaneously with issuance of revised regulation 9, requested the Commissioner of Internal Revenue to issue a ruling of income tax exemption for common trust funds of managing agency accounts. No tax ruling was issued before the revised regulation became effective.

7. The revised regulation also permits the collective investment by national banks of self-employed persons' retirement (Smathers-Keogh) plans.

8. The SEC claims that common trust funds of managing agency accounts bear such similarity to mutual funds as to make them amenable to the Securities Act of 1933; and that while an exemption from the 1940 act is available under the act's employee's pension trust provisions of section 3(c)(13) for common trust funds of Smathers-Keogh accounts, "securities" under the 1933 act are involved.

9. The Comptroller claims total exemption for such common trust funds from applicability of the securities laws.

10. Duplicate regulation by the two agencies arise through the Comptroller's authorization and regulation of such common trust funds. The SEC sought to minimize the problems thus created by facilitating compliance by banks with the securities laws. The Comptroller refused to accept, in principle, that the securities laws were applicable.

11. Before the revision became effective, the Secretary of the Treasury supported the Comptroller's position that the conflict be resolved by court action.

12. The Comptroller suggested to the banks that they not submit to the jurisdiction of the SEC voluntarily.

13. The opinion of the Attorney General, as a means of resolving the conflict, was not sought.

14. The Comptroller claims that the revised regulation, the supervision by banking agencies, and the overlay of trust law provide more protection to bank "investors" than they have under the securities acts.

15. Regulation by both the SEC and the Comptroller of the operation of common trust funds held in banks for their customers would impose hardships on banks, through the necessity of complying with separate registration, reporting, and other requirements, and the additional legal, operating, and other costs involved. Such duplicate regulation would probably make it uneconomic for banks to handle managing agency accounts in modest amounts or to receive deposits under the provisions of the Smathers-Keogh Act.

16. While the SEC has power under section 6(c) of the Investment Company Act of 1940 to exempt common trust funds from that act, it does not feel it should grant such exemption. The SEC contends that such customers of banks should be entitled to the same protections afforded mutual funds shareholders.

17. Whatever ruling the Internal Revenue Service makes on tax status, the matters of conflict and duplication of regulations by two agencies over the same subject will persist until resolved.

18. The collective investment of small managing agency accounts is a logical and reasonable extension to such accounts of the common trust fund investment advantages enjoyed by small estates and trusts.

19. The Congress has exempted bank securities and common trust funds from the provisions of the 1933 and 1940 acts, in the manner stated in those acts. Such exemption of the common trust funds here considered could result in eliminating the expenses that litigation would entail, plus savings of up to $250,000 per year, the estimated prospective costs of SEC supervision.

20. The most expeditious and economical means of eliminating the problems created by the overlapping agency authority and duplicate regulation lies with the Congress.

RECOMMENDATION

In order to eliminate the problems created by overlapping authority and duplicate regulation, it is recommended:

To the Interstate and Foreign Commerce Committee of the House of Representatives that it direct its attention to the consideration of legislation which would specifically exempt common trust funds of managing agency accounts and Smathers-Keogh plans maintained by national banks from the Federal securities laws, and provide for such protection for investors therein as may be deemed necessary.

BACKGROUND

The nub of the differences between the SEC and the Comptroller is the Commission's contention that common trust funds of managing agency accounts authorized by the Comptroller's revised regulation are so similar to mutual funds that the Federal securities laws apply to their operation. Also involved is the SEC's contention that operation under the regulation of common trust funds containing Smathers-Keogh accounts will involve the public offering of a security.

Common trust funds are variously defined in Federal and State laws. In brief, they are funds maintained by trust institutions for the collective investment of moneys from the personal trusts or estates of which the institution is fiduciary. Before such funds were authorized by the States, each trust of which a bank was trustee had to be invested separately. The unit costs to a bank in the servicing of small trust accounts were so high that they found this business largely unprofitable. Small trusts, individually invested, could not attain the investment benefits, such as adequate diversification of investments, management, and liquidity, and the low costs enjoyed by large trusts. The need to correct these situations gave birth to common trust funds.

The first common trust fund was established in 1927. Their growth was relatively slow, for by the end of 1935 only 16 such funds were in existence. The Federal Reserve Board's "Survey of Common Trust Funds, 1961" (Federal Reserve Bulletin, May 1962, p. 528), reflects their expansion. At the end of 1961 there were 511 common trust funds in 327 trust institutions. Total assets exceeded $3.5 billion. The number has since grown to 584 common trust funds in 360 banks.

A. Early tax problems

In 1934 a proponent of legislation to exempt common trust funds from income taxes

[1] Title 12, Code of Federal Regulations, pt. 9; Federal Register, Apr. 5, 1953, p. 3309.

[2] 15 U.S.C. 77a and 15 U.S.C. 80a.

stated this was necessary because the Treasury Department had taken the position that any trust which transacted business was taxable as a corporation. In explanation of the proposal he said (Senate Finance Committee hearings on H.R. 7835, 73d Cong., 2d sess., p. 195):

"I have drawn my proposed amendment so that it would not exempt from the corporate tax the typical investment trust, as it is commonly understood, where securities are sold to the public and there is a management fund and all that sort of thing. I do not touch those, but only funds held by incorporated banks or trust companies as the result of commingling private trust funds, and where the trustee has the sole power and control over the investments, and where no certificates or securities are sold to the public."

The proposal was not adopted. Common trust fund operations suffered a severe setback in 1936 when the Treasury's contentions were upheld (*Brooklyn Trust Co.* v. *Commissioner of Internal Revenue* (C.C.A. 2) 80 F. 2d 865). The effect was to subject such funds to corporation income taxes, in addition to the taxes payable by the beneficiaries of the participating trusts.

A proposal for tax relief was then renewed, the proponent stating that it was "designed to make it possible for banks and trust companies to give people with small estates all the advantages of the common trust fund without imposing upon those estates the burden of double taxation." Any apprehension that the funds may be "commercialized or used for speculative purposes" could be allayed by the requirement that to qualify for tax exemption the funds would need to be established and operated under the regulation of the Board of Governors of the Federal Reserve System (Senate Finance Committee, hearings on H.R. 12395, p. 794).

In substance, the proposal was enacted as section 169 of the "Estates and Trusts" provision of the Revenue Act of 1936. As carried over into section 584 of the Internal Revenue Act, it defines a common trust fund for tax exemption purposes to mean: "* * * a fund maintained by a bank (1) exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank in its capacity as a trustee, executor, administrator, or guardian; and (2) in conformity with the rules and regulations * * * [formerly of the Board of Governors of the Federal Reserve System, now of the Comptroller of the Currency]."

The 1936 Revenue Act made separate provision for the tax treatment of "mutual investment companies" (sec. 48(e)), the precursor of present section 851 of the Internal Revenue Code which governs tax exemption of regulated investment companies.

B. The Federal securities laws

In brief, the objectives of the Securities Act of 1933 are to provide investors with financial and other material information concerning securities offered for public sale and to prohibit fraud in their sale. Under the act, before the public offering of securities, a registration statement must be filed with the SEC disclosing such facts as (1) the registrant's properties and business, (2) the significant provisions of the security and its relationship to the registrant's other capital securities, (3) information as to the management of the registrant, and (4) certified financial statements. Investors must be furnished with a prospectus (selling circular) containing the salient data set forth in the registration statement.

Section 3(a)(2) of the Securities Act of 1933 exempts from the act "any security issued or guaranteed by any national bank."

The Investment Company Act of 1940 governs the activities of issuers engaged primarily in the business of investing, reinvesting, and trading in securities, whose own securities are held by the investing public. The act's requirements include registration with the SEC; disclosure of financial condition and investment policies; prohibition against registrants changing the nature of their business or their investment policies, or adopting or changing management contracts, without the approval of stockholders. Transactions between such companies and their directors, officers, or affiliated companies or persons are regulated. The companies must file periodic reports and are subject to the Commission's proxy and "insider" trading rules, and numerous others. Their securities must be registered under the 1933 act.

Among those exempt from the 1940 act as not being "investment companies" are:

"SEC. 3. (c) * * *; any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank in its capacity as a trustee, executor, administrator, or guardian."

C. Federal Reserve Board regulation

Federal supervisory authority over the trust powers of national banks resided in the Federal Reserve Board from 1913 until September 1962. On December 31, 1937, the Board amended its regulation F, which governed trust powers, by authorizing national banks to establish and maintain common trust funds in the States where State banks were permitted to maintain such funds. Regulation F applied only to national banks; however, to qualify their common trust funds for income tax exemption State banks were obliged to comply with its provisions.

In 1955 the Board amended regulation F to permit the collective investment of various employee-benefit funds, such as pension, thrift, welfare, profit-sharing, and bonus plans established for the exclusive benefit of employees or their beneficiaries. Section 401 of the Internal Revenue Code exempted such common trust funds from income tax when operated in conformity with rules and regulations of the Board.

The Board also permitted national banks to operate managing agency accounts under which the bank performed advisory and management investment services for individual customers for a fee. Each such account, however, had to be administered separately; the collective investment or commingling of such accounts was prohibited.

Regulation F provided that "funds received or held by a national bank as a fiduciary shall not be invested collectively" except for the employee-benefit funds discussed above (several others not here involved), and those defined as follows:

(2) As used in this part the term "common trust fund" means a fund maintained by a national bank exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank in its capacity as trustee, executor, administrator, or guardian.

(3) The purpose of this section is to permit the use of common trust funds, as defined in section 584 of the Internal Revenue Code, for the investment of funds held for true fiduciary purposes; and the operation of such common trust funds as investment for other than strictly fiduciary purposes is hereby prohibited.

In the Board's concept, common trust funds were to be used merely as aids in the administration of trusts; they were not to be operated as investment trusts to attract those primarily seeking investment management of their funds (Federal Reserve Bulletin, May 1940; 25 F.R. 12479).

D. Subsequent developments

On September 20, 1962, the Federal Reserve Board's authority over the trust powers of national banks was transferred to the Comptroller of the Currency by Public Law 87-722. The Comptroller adopted the provisions of regulation F, without change, except to rename it regulation 9.

The Self-Employed Individuals Tax Retirement Act of 1962, known as the Smathers-Keogh Act, was enacted on October 10, 1962, as Public Law 87-792. In general it permits self-employed persons to be covered by qualified retirement plans; to deduct (within specified limits) contributions made to such plans; and to be free from income tax thereon until they receive the funds on retirement, or as otherwise provided (Internal Revenue Code, sec. 401). Such funds, when trusteed by a bank, are exempt from income tax (Internal Revenue Code, sec. 501).

THE PROPOSED REVISION

On February 4, 1963, the Comptroller announced to a trust conference of the American Bankers Association that on the following day the Federal Register would publish a proposed revision of regulation 9, and outlined the major changes expected to be made in three categories: (1) Collective investment; (2) conflicts of interest, and (3) management supervision. The Comptroller said:

"In the field of collective investments we have made what we deem significant and far-reaching improvements. We have recognized the proper place of banks in this area and the fact that banks with established trust departments are uniquely fitted to serve the public and compete with other institutions in this field."

Three types of collective investment funds were to be permitted: First, the then familiar type of common trust fund in which it is permitted to place individual trusts held by the bank in the capacity of trustee, executor, administrator, or guardian. Second, those consisting solely of assets from retirement, pension, profit-sharing, stock bonus, or other trusts which are themselves exempt under the Internal Revenue Code, including trusts set up under the Smathers-Keogh Act. Third, those containing funds held by the bank as fiduciary, other than as trustee, executor, administrator, or guardian. Accounts commonly known as managing agency accounts were intended to be covered by this last category.

All "interested parties" were invited to submit comments, and notice was given of intention to make the revision effective on or about April 5, 1963. Oppositions to the proposed revision were filed by the Investment Companies Institute and the National Association of Security Dealers. The SEC filed no comments. The revision became effective on April 5, 1963.

ATTEMPTS TO NEGOTIATE

Before the proposed revision was announced there had been communications and discussions between representative of the SEC and the Comptroller, in which the SEC asserted the possible applicability of Federal securities laws to the collective investment in common trust funds of Smathers-Keogh and managing agency accounts.

According to Chairman Cary, the SEC's purposes in communicating with the Comptroller before issuance of the revision (in addition to seeking to avoid any public conflict of views) had been to make fully known the SEC's position on the applicability of the Federal securities laws, and if that were accepted in principle, to work out procedures (such as through a short form registration in the case of Smathers-Keogh plans, and any possible exemptions under the 1940 act) to expedite the whole process.

At the hearing the Comptroller said that in discussions with the SEC before promulgation of the revision it became perfectly plain to him that the two areas were nonnegotiable:

"When Chairman Cary stated that he would be willing to negotiate if we would accept in principle the applicability of the SEC-administered statutes, he asked us to do something which we cannot do. Even if we were disposed to do this, it would not be binding on any banking institution subject

to the regulation of this Office in this respect. We have no authority to concede legal issues, particularly in this area, where the banks do not agree with the SEC interpretations."

The Comptroller so informed Chairman Cary by letter in January 1963. In response, Chairman Cary said he was sorry that the Comptroller saw no basis for the cooperation the SEC had in mind, and that he was "extremely anxious to develop a coordinated policy when two agencies appear to have overlapping jurisdiction." He enclosed a proposed short form registration statement which the SEC had prepared to facilitate registering any securities issued by banks in connection with Smathers-Keogh plans.

In the Comptroller's opinion, stated at the hearing, that form was no solution to the problem, for, he said, the SEC conceded that if it were put into use, the SEC could then require the full use of all its reporting requirement. Industry witnesses concurred in that view.

In issuing the proposed revision, the Comptroller said:

"It is our firm belief that the reasoning adopted by Congress in excepting securities issued by banks from the Federal securities laws continues to be sound and justified. That reasoning was based on the concept that the continuous internal examination and supervision of banking by the bank regulatory authorities makes application of the less rigorous disclosure pattern of SEC regulation superfluous and unnecessary. In any event, our own regulation, as I have previously stated, will require full public disclosure of the terms and conditions of operation of each collective trust as well as periodic financial reports of its financial condition.

"The substantial legal, accounting, printing, and administrative expenses entailed in SEC registration and reporting could very well have the effect of nullifying the purposes which Congress sought to effect by the Smathers-Keogh bill.

"In view of the often-expressed congressional intent that the regulatory power over national banks rests in our Office, and particularly in view of the most recent expression of that intent as to fiduciary functions, it is our position that the SEC laws do not apply to the collective investment funds set up by national banks pursuant to law and our regulations."

On February 7, 1963, right after the proposed revision was published, Chairman Cary wrote the Secretary of the Treasury that the Commission desired to avoid litigation which could result from banks operating under the revision. In that letter he said the SEC had made every effort to assure the Comptroller of cooperation in developing a coordinated program to avoid any undue burden resulting from concurrent jurisdiction of the two agencies. He expressed regret that it was now evident that the Comptroller disagreed with their interpretation of the laws which the Congress entrusted his Commission to administer. Saying that the Commission did not have the qualification, much less any desire, to become involved in matters of banking regulation, he further said:

"We regard the types of regulation to be different in objectives, administration, and impact. They are not mutually exclusive in their application. And we do believe that if our laws are applicable to what is basically an investment company security, we must apply them uniformly—whether the fund involved be administered by a bank, * * * or the conventional investment adviser."

On March 6, 1963, the Secretary replied, saying that it seemed to him that there was a very serious question concerning the applicability of the Securities Acts to the proposed activities of national banks, and that he did not feel that it would be unfortunate or unseemly, from the point of view of the Government, if the matter had to be resolved by a court case. The next day, in a letter to the chairman of a banker's committee which had assisted the Comptroller in preparing the proposed revision, Chairman Cary so stated the SEC position:

"Some proposals for the use of collective investment funds in connection with self-employed retirement plans resulting from the recent Smathers-Keogh legislation would involve the issuance of a security registrable under the 1933 act, although a 1940 act exemption would appear to be available for these plans.

"However, any contemplated merchandising of interests in other collective investment funds as investment media, whether in the form of a trust or in the form of a managing agency account, as apparently would be permitted under the proposed revision of regulation 9, would place national banks squarely in the conventional investment company business. Under these circumstances there would be both the issuance of a security required to be registered under the 1933 act and a collective investment fund subject to the provisions of the 1940 act. To put it another way, the fund, as distinguished from the bank, would in substance be an investment company and the issuer of a security."

He suggested a meeting, saying it was not SEC's purpose to discourage banks from engaging in the activity if permitted by the appropriate bank regulatory authorities, but only to acquaint the banking community with SEC's concept of its statutory responsibilities and, if possible, to assist in working out compliance with SEC laws in the least burdensome way feasible, through cooperative effort. He said the SEC had already made efforts in that direction through the preliminary development of the proposed short form for registration under the 1933 act of Smathers-Keogh account funds.

The Comptroller then made a press statement regarding that letter, refuting the SEC's assertions and claiming express exemption of common trust funds from operation of the Federal Securities Acts. He also said he would regard as "extremely unfortunate" the "voluntary submission by the banks to the SEC laws," and expressed the "hope these matters would be resolved speedily through appropriate judicial proceedings, in which we would expect to intervene."

Thus the sharp conflict of views between the agencies was unresolved when the Comptroller issued the revised regulation. According to statements at the hearing, banks have long felt the need for authority to commingle small managing agency accounts. Regulation 9 gives them that authority. It also authorizes them to pool Smathers-Keogh accounts. However, exercise of the authority by the banks, in practical effect, is circumscribed by the dread of submission to dual regulation.

THE AGENCIES' DIVERGENT VIEWS ON THE FEDERAL SECURITIES LAWS

The views of the SEC and the Comptroller of the Currency on the interpretation and applicability of the Federal securities laws in respect of common trust funds are diametrically opposed.

Among the issues on which the two agencies are poles apart are the following: The SEC claims that the units of participation or interest in a comminiged investment fund are securities, whether or not represented by a written document. The Comptroller claims that under revised regulation 9 the participation interests in a common trust fund will run from the bank as trustee of the common trust fund to itself as (in the case of managing accounts) holder of funds entrusted to it, and that such participation will not be evidenced by any certificate or document, but by mere book entries. In such circumstances, says the Comptroller, no security is issued; further, even if a security were involved, the 1933 act would have no application to it, because that act specifically exempts from the operation of its provisions the securities issued by a bank, and these would be issued by the bank.

To that, the SEC asserts that the securities would not be issued by a bank, as that word is used in the Federal securities laws, but by a separate entity, to wit: the common trust fund. The Comptroller denies that a common trust fund is a separate entity, arguing that it is the bank itself, acting as a fiduciary which is involved, and not a collective investment fund.

The Comptroller also contends that common trust funds are not subject to the 1940 act because that act expressly excludes from its definition of investment companies both banks and any common trust fund or similar fund maintained by a bank. The SEC, on the other hand, claims that common trust funds are clearly within the act's definition of investment company, and that such funds are excluded from the definition only when they are maintained by a bank exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank in its capacity as trustee, executor, administrator, or guardian. The common trust funds here involved, says the SEC, do not derive their moneys from such sources, and therefore are not excluded from the act's operation.

The Comptroller claims that the word "trustee" as used in the above-quoted exclusionary provision includes not only inter vivos and testamentary trusts in which the bank is formally designated and acts as trustee, but also managing agents who have discretion to determine whether or not funds held by them will be invested in a common trust fund of managing agency accounts. This position the SEC refutes.

The Comptroller also contends that under revised regulation 9 the decision of whether or not to invest managing agency accounts in a common trust fund rests solely with the bank holding such accounts, and that the regulation so restricts advertising and solicitation that no "public offering" (a prerequisite in certain circumstances, to applicability of Federal securities laws) could be involved. Contrariwise, the SEC position is that a bank could not profitably render those services unless it obtained many accounts and pooled them, and that this necessarily means solicitation of customers, i.e., a public offering, whether or not advertising is used.

This brief cataloging of but some of the positions of the two agencies illustrates how far apart their views are on the interpretation and applicability of Federal securities laws as regards common trust funds. Their differences run not to mere peripheral matters, but to the very basics; in fact, so far as is evident, there appears to be no common ground upon which they agree.

THE AGENCIES' VIEWS ON CUSTOMER-INVESTOR PROTECTION

The two agencies are at odds also on the question of which agency affords better protection to the customer-investor. The Comptroller points to the requirements in regulation 9 that each collective investment fund must be established according to a written plan, copies of which must be filed with the Comptroller, in the principal office of the bank, and provided to any person on request. A bank must make an annual financial report for its common trust funds, and a copy of such report likewise must be furnished to any person upon request. These requirements, says the Comptroller, plus the additional requirements imposed by regulation 9, plus the continuous and intensive supervision of bank trust departments, plus the overlay of trust law which will apply to the

operation of these funds, results in a far more effective protection of the bank "investor" than is afforded investors in mutual funds by the securities laws.

The SEC counters by saying that when "the banks go the mutual fund way, it is clear that they are subject, under present legislation, to the mutual fund ground rules, or to put it into its proper perspective, the investor in bank-sponsored mutual funds is entitled to the same protection as the investor in non-bank-sponsored mutual funds."

The major shortcoming of regulation 9 with respect to disclosure, says the SEC, is that it does not insure that an investor will be furnished a body of information which he can compare with information he has concerning similar investment media and thereby intelligently choose the vehicle he desires to use. Thus, among other things, the SEC says, no prospectus is required and much of the detailed financial and management information required under the securities laws is not required to be given under the regulation. The 1940 act, SEC says, provides protections designed to prevent the many forms of overreaching at the expense of the participants in a fund, and while regulation 9 sets out rules designed to prevent self-dealing, all or part of them may be negated by exculpatory provisions in the agreement between the bank and the investor, or by local law to the extent that local law permits any of the activities forbidden by the section. Other requirements of the Investment Company Act, says the SEC, makes for superior investor protection.

The Comptroller says his Office's Trust Division is responsible for the examination of trust departments, and for reviewing the exercise and discharge by the institutions of their trust powers, the conduct of bank trust personnel, the internal auditing systems maintained by many banks, and the procedures in handling trusts. The examination which is required to be maintained at least once a year in every national bank, says the Comptroller, looks primarily to what surcharge liability or risk thereof might exist. Trust departments are separate departments, requested to operate with a separate distinct group of professional technicians—tax, investment, etc. The Comptroller's Office maintains a staff of 1,300 examiners throughout the country; there are specific forms for trust examination reports, and a manual of instructions for trust examiners which includes a separate extensive section dealing with collective investments. According to the Comptroller, there is no more intensively regulated business in the country.

Many more detailed examples of protections afforded by the two agencies are cited by each in support of its claim of superior protection. Only a few are here mentioned to indicate the breadth of their claims. The protections afforded by the agencies are not identical; and any which may be are not stated identically; consequently there could be important differences in them in practice. However, even if they were uniform in every respect, that would not dispel the fact of overlapping jurisdiction and responsibility of the two agencies.

PRESENT STATUS

Promulgation of revised regulation 9 at the time and in the climate of its issuance contributed little—if anything—toward resolution of the basic problems. Exercise by banks of the powers to expand their common trust fund operations under the regulation would bring them full tilt into contest of, or compliance with, the SEC claims. In that circumstance, after the revision became final, the president of the American Bankers Association Trust Division put out a letter urging banks to defer variation of their common trust fund operations until the issues raised by the SEC were clarified. It was his expressed hope that this would "minimize the possibility of precipitating action that might prejudice or even foreclose our prospects of working out reasonable solutions to the problems involved."

The status of the matter at the time of the subcommittee hearing, May 20, 1963, was (a) that cautionary advice was still in effect; (b) a meeting had been held between the SEC and a group representing the banks, and more meetings were contemplated; (c) several banks had publicized intentions to operate common trust funds of Smathers-Keogh or managing agency accounts; however, (d) none had been put into effect. Whatever purpose there may have been in promulgating the regulation when it was done, it did not serve to get the banks moving into operation of the expanded common trust funds.

Involved in this "horrendous" duplication of regulation, according to the Comptroller, are "a mass of banks, varying in size, many of which would find it completely impossible to comply with our own regulation and one by the SEC as well. This is particularly true in view of the heavy burden of SEC reporting requirements alone, in addition to our own. Registration, in the case of these banks, and the other requirements, would impose such additional expenses for legal, internal operating, and other costs as to make this prohibitive."

Involved also is the effort and cost of duplicate administration by the two agencies. The SEC estimates that employment of about 25 more persons may be necessary in the first year, at a cost of about $125,000. These costs can be expected to increase to $250,000 per year if its estimate of 500 such common trust funds is reached.

The Comptroller attributes SEC's assertion of jurisdiction to what he claims is an extensive effort by the SEC to extend its arm into the entire arena of banking. The SEC, on the other hand, in its letter to the Secretary of the Treasury, indicated it had no desire to become involved in matters of bank regulation; and at the subcommittee hearing Chairman Cary said he desired to make clear that the SEC was not opposing the participation of banks "in the mutual fund industry," and that its concern was for proper investor protection. The SEC position was summarized in this excerpt from the record:

Mr. FASCELL. Mr. Chairman, then, as I see it, the position of the Commission is that unless the Congress or the courts decide that this particular type of transaction is exempt, you feel the public responsibility under existing law to do something about it.

Mr. CARY. That is correct.

It seems only fair to point out that the Securities and Exchange Commission is charged with the administration of the Federal securities laws; that the Commission possesses extensive experience and expertise in the field; and that the interpretations accorded to the pertinent securities laws by the Commission in this matter are not patently untenable. In such circumstances, the Commission's conduct of this matter seems consonant with its responsibilities.

The efficacy of the Comptroller's performance in the premises is not readily measurable. According to him, to force common trust funds within the confines of the mechanics of the Investment Company Act of 1940 would make it impossible for banks to have such funds, and the SEC's suggestions for negotiation proved impossible. That left unresolved the full force of the SEC claims. Also, although income tax exemption is vital to the operation of common trust funds of managing agency accounts, the revision was issued before the Commissioner of Internal Revenue could rule on their tax status; in fact, the Comptroller did not formally ask for a ruling until the same week that the revision was issued.

The subcommittee's interest in fostering economy and efficiency in the operations of the agencies involved, at this stage, is in determining how the conflict may best and most speedily be resolved. Since primarily this is a matter of duplicate administration by two executive agencies, a solution might have been sought, before the revision was made effective, by requesting an opinion from the Attorney General. This was not done. Or legislative clarification could have been sought. And certainly the tax status should have been ascertained. At present the two remedies available are court action or legislation, and the latter would seem to offer best prospects for fullest and earliest relief. The Comptroller, at the hearing, stated that the sooner the SEC issue is resolved, whether in court or by the Congress, the better for all concerned.

The length of time litigation would likely take is indicated by the SEC proceedings reported in *SEC* v. *Variable Annuity Co.* (359 U.S. 65), which involved substantially the same securities laws as here discussed. That case began on June 19, 1956, and was not concluded until the Supreme Court's decision on March 23, 1959. At that rate, revised regulation 9 could not have any real significance on the common trust funds here considered for until about 3 years after commencement of litigation, and that assumes that the decision will be favorable to the industry, and will dispose of all issues. Should it not, the industry at that point of time would be no better off than it is now.

Mr. WILLIAMS of New Jersey. Mr. President, I should like to ask the distinguished Senator from Colorado a question.

If a bank entered into investment activity which brought it under the provisions of the Investment Company Act, the SEC or the Department of Justice could prosecute any violation of covered activity under the Investment Company Act, could it not?

Mr. ALLOTT. If the bank were under it.

Mr. JAVITS. That is all right.

Mr. ALLOTT. If the bank were under it.

I say to the distinguished Senator from New Jersey and the distinguished Senator from New York that I have been under great pressure from the mutual funds. I have not been under any pressure from the banks. About 6 months ago I received a letter from a close friend of mine. I should be happy to put that letter in the RECORD, if any Senator wishes to have me do so.

I believe the language I have drawn probably expresses our opinion, but if other Senators feel otherwise and if it were possible to correct the report language, I would do it. I would suggest something along this line:

The committee notes the conflict of asserted jurisdiction in the field of administration of common trust funds. It is cognizant that bills have been introduced in both the House and the Senate (that is, S. 2223 and H.R. 8499 in the House) to resolve this conflict. It is our opinion that national banks are adequately supervised by the Comptroller of the Currency and directs that no funds appropriated in this bill be expended by the SEC for that purpose, at least until the Congress has had a chance to consider S. 2223 or similar legislation.

I know that some persons have taken umbrage at the report language, but, in all sincerity, I must say, as a member of the Appropriations Committee, having read the report and studied the matter, I could not conscientiously let the SEC go into an expansion of their personnel and

an expenditure of far more money when it is a disputed matter that the Congress should resolve.

Mr. JAVITS. I do not believe we have the question before us with respect to expansion and getting more personnel, but the Self-Employment Act is coming on the scene, and it will point up the problem in a dramatic way. Let them continue as they now do under existing law, with the present personnel, if we all understand that they are not to push forward until we settle the question. This would be a fair and reasonable compromise for all.

Mr. ALLOTT. I think it is a fair and reasonable compromise to obtain a settlement of this question, which should be determined.

Mr. JAVITS. May I make a suggestion to the chairman of the committee? The Senator from Wisconsin [Mr. PROXMIRE] gave us more time than we thought we would need. Would the chairman yield him some more time?

Mr. PROXMIRE. This was time on the bill.

Mr. MAGNUSON. Yes.

Mr. WILLIAMS of New Jersey. Mr. President, I appreciate this colloquy in an attempt to straighten out language that could have been misunderstood, but which is now understood.

Mr. PROXMIRE. Mr. President, the amendment before the Senate now is my amendment No. 323. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. This amendment would eliminate $60 million——

The PRESIDING OFFICER. The Chair is not certain he understood the Senator's question correctly. It is amendment No. 322 that is now before the Senate.

Mr. PROXMIRE. Mr. President, I withdraw amendment No. 322. I call up my amendment No. 323.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. It is proposed on page 15, to eliminate lines 1 through 6, as follows:

CIVIL SUPERSONIC AIRCRAFT DEVELOPMENTS

For expenses, not otherwise provided for, necessary for the development of a civil supersonic aircraft, including advances of funds without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C.C. 529), $60,000,000, to remain available until expended.

Mr. PROXMIRE. Mr. President, the amendment would eliminate, save, or cut $60 million from the amount now in the bill. It would eliminate it by cutting out the provision for research and development of civilian supersonic aircraft. This $60 million is only a part of the cost of the supersonic plane. Congress has already appropriated $20 million.

The expensive part of the supersonic transport project comes in the third and final stage; namely, development of prototypes, flight testing, and certification by the FAA. However, the taxpayer will have already invested $91 million in this project for studies before we ever even reach the third phase. Certainly more consideration should be given to the potential financial commitment which we are making.

Estimates I have heard are that this plane would cost approximately $1 billion, of which the Federal Government would provide $750 million. This was President Kennedy's estimate. While I am sure the President did the best he could to make the estimate accurate, our experience with research development is that in the future it always costs more. So the floor of the cost is $750 million, and perhaps it will be much more.

This amendment would reduce spending in the future by much more than $60 million—by three-quarters of a billion dollars, or perhaps $1 billion.

I agree entirely with the statement made by the chairman of the Senate Foreign Relations Committee, the senior Senator from Arkansas [Mr. FULBRIGHT] when he stated that he was opposed to this project. According to the senior Senator from Arkansas:

I would not have thought that the national interest of this Nation depended upon a race for prestige with Britain and France.

It is important to recognize initially that this is a completely new field of endeavor for the FAA. It has never previously had any responsibility or experience in the development of aircraft. In the past, such work, if done at all by the Government, has been done principally by the military.

Where, then, is the justification for expenditures on this supersonic aircraft? It is striking to observe that the Defense Department has not testified in support of these expenditures. Neither has the military volunteered to pay for the research which is involved. Thus, for the first time—I repeat, the first time—we have the Government stepping in to do development work on an aircraft which will be entirely for civilian use.

The difference between the supersonic transport and other Federal expenditures for development of aircraft is that the military has not participated in this development. According to Dr. Harold Brown, Director of Research and Engineering for the Defense Department, there is "no justification" for a supersonic transport "from a military standpoint." Thus, he has said that the Defense Department has seen no justification for spending money to develop one.

One of the outstanding criticisms of this program has been made by the FAA Administrator himself. Mr. Halaby stated:

If we pay the whole bill as though we were buying an airplane to be provided by the Government * * * then we have gone a long step toward reaching right down into the engineering department, the production department, and the treasury department of each of these companies and telling them in detail about everything they should do. This is a subtle form of nationalization. We don't want to move in the direction that the British and French have moved. We don't want to nationalize our corporations.

However, we are going at least 75 percent of the way which the Administrator criticizes. Obviously the Government has become the majority investor, if not stockholder, in every company that attempts to develop this supersonic aircraft.

Incidentally, this precedent, if established, could easily then be used by the FAA to step into many other areas of aircraft development. For example, considerable interest exists in the development of a new substitute for the old and venerated DC-3. It would not be surprising if the FAA wished in the future to do this development work on behalf of private industry.

Before the Senate Commerce Committee on October 21 Jerome Wiesner, Director of the Office of Science and Technology, stated:

It was perfectly proper for him to say this. I disagree with him, but I think we should recognize what he is saying—

This is a new experience for the Government, but I don't think it is the last one. It is becoming increasingly clear that we have the manpower, the capacity to do many things, which a private sector of the economy just can't pay for, and we are going to have, I think, increasingly to ask whether it is * * * in the national interest to do something of this sort.

This sort of comment makes it clear that if we begin a program such as this, the Federal Government will gradually be taking over design and development of all private aircraft.

I do not say that the Federal Government will be moving in, to all aircraft, but experience proves that once a subsidy is launched—and this is a launching pad—it is difficult, if not impossible to pull back, particularly when Congress receives the kind of pressures to which it is subjected from aircraft manufacturers. They are fine, decent, patriotic men, who have contributed much to our defense, but they are influential and are very persuasive in persuading conservatives as well as liberals, Democrats as well as Republicans to proceed with these expanding subsidy commitments.

On August 14 President Kennedy appointed Eugene R. Black, former President of the World Bank, as a special adviser on the development of a supersonic transport. Mr. Stanley DeJ. Osborne, board chairman of the Olin Mathieson Chemical Co., was named Black's deputy. No report has as yet been received from this group, and yet we are going ahead with this commitment.

In other words, we are going ahead before we get a report from this committee of men appointed by the President only a few months ago.

It should also be noted the NASA has done considerable research and development work in the past on supersonic airframes. If these funds are granted to the FAA, it will be simply another case of duplication, an overlapping of work already done by NASA. No such expenditures should be made until the research already conducted by NASA has been evaluated for applicability to the supersonic aircraft.

Many industry objections—I repeat, industrial objections—have been heard against this program. Yet, despite these objections, we continue along our route of attempting to assist the industry. It seems to me the evidence

is quite clear that the industry we are attempting to assist is not in this case interested in our assistance.

The FAA proposals require manufacturers to put up 25 percent of the development costs, probably at least $250 million. This same industry lost over $800 million in developing turbojets and supersonic jets, and are obviously loath to commit themselves for this new program.

Many airline officials have also criticized this program. Their reason is quite clear. With the greater costs of flying a supersonic transport, higher fares must be imposed. It seems doubtful that passengers will be willing to pay a higher price simply in order to save relatively short periods of time.

A supersonic jet might save perhaps 3 hours in flying time from New York to Paris, and perhaps 2½ hours in flying time to London. However, again the cost would be higher, and the economics of this saving would be very questionable.

Mr. W. C. Mentzer, senior vice president of United Airlines, has said that the economics of supersonic flight are ridiculous. The prospect of 19 airlines coming across the Atlantic, according to Mentzer, and "converging on New York from overseas in supersonic transports looks like economic suicide."

Technicians have also criticized the supersonic transport. Mr. B. K. O. Lundberg, Director General of the Aeronautical Research Institute of Sweden, has said that it would be impossible to thoroughly safety-check the SST before it was introduced. He has further stated:

> The sonic boom which SST would create might be such a nuisance that the SST's now being designed might not be permitted to fly at all outside the SST manufacturing countries. * * * The enormous investment and effort needed to develop SST's will hamper the brilliant prospects now in sight to make aviation a really safe, cheap, and convenient means of mass transportation.

Criticism has come from Government sources as well. Allen S. Boyd, Chairman of the Civil Aeronautics Board, has stated that—

> Unlike the present jets, the possibility of supersonic aircraft achieving important economies over predecessor types is dubious.

He expresses a substantial doubt that the SST's would obtain any true market economies. He also raised the specter of additional Government outlays in the future, stating:

> That if the U.S. airlines buy the SST's they may need Federal subsidies to cover operating losses. If they do not buy it, they may lose passengers and need subsidies anyway.

One reason that has been given for building the supersonic jets is that if we do not build them, Britain or France will alone build them, and then we shall have to buy the planes from them. It is argued this will make our balance-of-payments situation worse.

The fact is that the relatively small amount that buying these planes from Britain and France would cost us in that future period during which we are likely to have a balance-of-payments problem, would be far outbalanced by the billion dollars that it would cost the industry and Government to produce the plane.

What in the world is wrong with our letting our allies, with their growing economies and outstanding scientists, engage in this area of nonmilitary research? That makes sense to me.

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

Mr. PROXMIRE. I yield.

Mr. RANDOLPH. As we discuss development of the supersonic transport, I wish to emphasize that there is a requirement closer to home. For the moment I shall not discuss the subject to which the Senator directs our attention, but will speak of a pressing domestic need.

In a State like our West Virginia, where DC-3 aircraft are still serving our citizens and our industries, we need a replacement for the aircraft that are flying the local service routes. Acceptable DC-3 replacement is something that has not been achieved by the aircraft companies in cooperation with the airlines. As the Senator from Wisconsin knows, local service carriers do not have the funds with which to finance this sort of development in conjunction with the aircraft companies.

As my colleague is aware, they are now receiving a subsidy from the Federal Government to serve smaller cities and communities. This is necessary service. It is desirable service. In the case of West Virginia, it is a much needed service.

Many towns in our State are not served by passenger trains. A case in point is my home city of Elkins, which has a population of approximately 9,000 and is the center of a considerable trading area.

There are, however, local air carriers, such as Allegheny, Lake Central, and Piedmont, which provide daily scheduled flights for the traveling public, the shipper of cargo, and the handling of the mails.

I believe it is important at this point in the debate to indicate that there are unmet needs in DC-3 replacement. We need planes developed to fly between local points for distances of 100 to 150 miles.

I shall not discuss at this time the desirability or undesirability of the supersonic developmental program. However, there is perhaps a question of priority—a need to place first tasks first. It would seem that we should accentuate the effort to produce an effective local service aircraft.

Mr. PROXMIRE. I thank the distinguished Senator from West Virginia. He is absolutely correct. There are certain priorities. The spending of three-quarters of a billion dollars on this plane—and the estimates I have that at most there would be 30 or 40 planes ultimately in operation—should not be a first priority, in my judgment.

Let us sum up. I can do so very briefly.

First, there is no military value connected with this plane, based on the testimony of experts in the Pentagon. They have done all the research work that is necessary, and they have decided that they cannot use the plane. Other alternatives are better.

Second. The economic feasibility of this plane for private enterprise is very questionable. The leading experts in the aviation industry have questioned it.

In the third place, the program involves a vast amount of money. Our allies can do the job. They are already doing it, and they can continue to do it. We can rely on their making the unavoidable mistakes, and tying up their scientists in the field of research.

Perhaps I have stressed too much the expenditure of money in my remarks. We have a shortage of experts and scientists. We need them desperately in defense, industry, and in education.

However, to squander the talents of scientists, to duplicate the work that is being done, not by Communists on war work, but by our allied countries, in peaceful pursuits, seems to be fundamentally wasteful.

This would be the first big step in a subsidy to a private manufacturer, with no defense benefits.

Based on previous experience with subsidies, we know what will happen. The subsidy will continue to grow.

I agree with those who favor this program when they say that if we are to kill the supersonic program we should kill it at the outset, when our investment is minimal—about $20 or $30 million—and not wait until we have appropriated $60 million.

I reserve the remainder of my time.

Mr. MAGNUSON. I yield 5 minutes to the Senator from Colorado.

Mr. ALLOTT. Mr. President, if the Senator from West Virginia will turn to page 6 of the report of the committee, he will note the following language:

> Board policy should assist local service carriers in strengthening their operations in two major respects:
>
> 1. By strengthening their route systems in a manner which will permit profits from the better segments to maintain and improve service at smaller cities without increases in subsidy.
>
> 2. By encouraging the acquisition of more modern equipment which will build revenues by attracting more traffic and, at the same time, lower unit costs. On the smaller traffic segments, a modern replacement for the DC-3 is an economic and service necessity.

I merely wish to say to him—and I do not think it needs expansion—that many of us throughout the country are in exactly the same situation as he is.

I should like to reply to the Senator from Wisconsin [Mr. PROXMIRE] concerning supersonic transport. Frankly, some of his arguments remind me of the arguments that were made in the days of open-cockpit airplanes. People said at that time, "If an airplane is ever built with a closed-in cockpit, it will not be possible to fly it, because the pilot will suffocate." That was said over and over throughout the country. I am sure the Senator from Wisconsin—he has a smile on his face—remembers that.

Congress must decide—and we have previously decided this—where we are going in this field. In my opinion, it is far more logical to put our money into supersonic transport than it is to put it into the project of putting a man on the moon. People may disagree with me, but that is how I feel.

I remember when airplanes traveled a hundred miles an hour. If we had

told the people of those days that we would cross the country in planes that travel more than 500 miles an hour, they would have told us we had a screw loose somewhere in a vital part of the head.

So the next development of the air age will not be in missiles catapulting around the earth. It will be in supersonic transport. It may be asked, "Who wants to travel twice or three times the speed of sound?" In every advancement of aircraft, the improvements have been taken up and absorbed.

Who would ever have thought 10 years ago, or at the conclusion of World War II, that $6 million could be spent on a jet aircraft and still have that aircraft operate at a profit? But it is being done. Just as we progressed from the very small plane to the old Ford trimotor and then through the DC-3, the DC-4, the DC-6, and the DC-8, to the "Connies," and all of that group, including the Lodestar, and have reached the present jet craft, just as surely, if we are going to look to the future, we shall have to develop supersonic craft.

The interest shown in the French and British version, called the Concorde, is ample proof of that. That version is perhaps a mach 2, perhaps a mach 2.2 airplane. The purpose of developing a supersonic transport, such as the one that is envisioned, is to make it a mach 2.5 or a mach 3 aircraft.

What shall we pay for such a plane? The distinguished senior Senator from Oklahoma [Mr. MONRONEY] conducted extensive hearings in his subcommittee of the Committee on Commerce. As a result of the hearings—and I feel certain he will confirm this in his remarks in a few minutes—first, it will be necessary to comply with the President's criteria that the aircraft companies themselves—the builders—must pay 25 percent of the cost of development. That is what the report states, and that is how the committee feels about it.

Second, the program of development must not cost more than $1 billion. Of that amount, the aircraft operators themselves—the airlines—must agree to repay 1½ percent of their gross revenues as a repayment of the amount the Government will advance for design in this field.

Third, the plane must be one which can be delivered at a cost of between $20 million and $22 million, in order to be economically feasible.

In its report, the committee has directed the FAA to receive proposals for this plane on January 15; to study the proposals; and then to advise Congress whether they comply with the prerequisites that have been established by the President in this field.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. MAGNUSON. I yield 2 additional minutes to the Senator from Colorado.

Mr. ALLOTT. If the FAA reports that those criteria are not met, we do not propose to go into the second and third phases of the design. If the criteria are met, we will go ahead and have participation, as I have described it.

What we are really talking about is a question of policy, which Congress has determined before. We have already devoted $31 million to this project. It is true, as the Senator from Wisconsin said, that there would be no military value in this plane, except from the failout of knowledge of aerodynamics and motor construction that would come to military aircraft from the construction of such a plane. But the supersonic plane could not be converted into a bomber any more than an RS-70 could be converted into a passenger plane.

The Senator from Wisconsin said that the economic value of the plane is questionable. I have touched on that. No one would have thought we would pay $6 million for a jet plane and operate it at a profit; but it is being done. In 10 years, we shall be operating supersonic planes, and operating them profitably, I believe.

I sincerely hope that the amendment offered by the Senator from Wisconsin will be rejected; that we will show our faith in the courage that has built our previous planes and will develop the planes of the future; that we will show our faith in our own country, because surely—and this is one of the most significant arguments—if we stay out of this field, we will surrender a possible $4 billion production to our friends in Europe, when that $4 billion production could be made effective all over the United States.

Mr. MAGNUSON. Mr. President, I yield 5 minutes to the distinguished Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I agree with the statement of the distinguished Senator from Colorado that it is very important to proceed with the development of a supersonic plane now. First, if we are not willing to commit ourselves or if we have not the courage to commit ourselves, we ought to kill this program.

Second, the time element is highly important. If we let a year go by, we shall perhaps see the market absorbed by our competitor—the British and French consortium—in manufacture of the Concorde supersonic plane. Enough research has already been done to move to the stage we are talking about. We are not talking about research; I should like to advise the Senator from Wisconsin that we are talking about detailed design and the competition to produce the best plane of a supersonic nature that American free enterprise and industry can build. The question is whether we wish to remain in the leadership of aviation or are willing to surrender it without any effort.

If we expect to retain the leadership we have always had, particularly in supplying the great planes for the airlines of the entire world, as we have done in the past, we shall have to move. We are losing out now because we are not meeting the challenge, except in one field; namely, the long-legged jets. We are being beaten on most of the other models by our foreign competitors. We cannot continue to manufacture the oldest styles of airplanes in the sky and still expect American companies to buy our planes.

We have found that out already. Our largest operators of planes are now buying short-range jets from Great Britain and France. We have not been able, because we were late in getting into the short-range jet production, to crack this market. The major market we have is for the large long-range jet. It is doing very well. It is a fantastic plane. Despite the money the Senator from Wisconsin said was lost, that plane is now doing very well.

But let us not be as late with the supersonic plane.

The PRESIDING OFFICER. Does the Senator from Washington yield more time to the Senator from Oklahoma?

Mr. MAGNUSON. I will yield more time.

Mr. HUMPHREY. Mr. President, will the Senator yield to permit me to ask him a question?

Mr. MAGNUSON. I yield.

Mr. HUMPHREY. The unanimous-consent agreement provides that at the hour of 2 o'clock the Fulbright amendment will be taken up. Do I correctly understand that the Senator from Washington had a discussion with the Senator from Arkansas [Mr. FULBRIGHT] relating to his amendment?

Mr. MAGNUSON. Yes. It will be agreeable to proceed to dispose of the amendment now under consideration, which will take a short period of time, and then to proceed to the Fulbright amendment.

Mr. President, I ask unanimous consent that the Senate proceed to the disposition of the Proxmire amendment; and then take up the Fulbright amendment.

Mr. HUMPHREY. Do I understand that that has been cleared with the Senator from Arkansas?

Mr. MAGNUSON. It has been cleared with the Senator from Arkansas.

Mr. PROXMIRE. Mr. President, if the Senator will yield, the Senator from Arkansas believed that it would be agreeable to conclude with the consideration of my amendment, provided it would take only 15 or 20 minutes more. If more time were needed, he would have to object.

Mr. HUMPHREY. Very well.

Mr. MONRONEY. Mr. President, I wish to answer briefly some of the points which the distinguished Senator from Wisconsin has made. The supersonic jet would not be a military plane. No military need for a supersonic transport has been identified. Perhaps two or three would be sold for VIP purposes; but as a workhorse, nothing has been proposed.

We must have competence in the American airframe industry and engine industry to build a supersonic plane. It has very definite military significance. Otherwise, we would have an obsolete, deteriorating airframe industry. It must met the competition of the British and the French.

The Senator says that while we do not want to nationalize our aviation industry, we should surrender it to the nationalized industry of Great Britain and France. He proposes we tell them we cannot build such a plane, that it is beyond our capability, that the market is

not that good; that we cannot afford it; that we must take second place in the building of a plane that we know will be the flagship of the skies for the next 20 years.

I, for one, want to see American flags on the planes which will be operated in the future. If we are not able to manufacture American planes capable of exceeding the speed of sound, we had better return to the manufacture of a good DC-3, because that is all that would be left for us. If the United States cannot develop the capability of producing aircraft of this new type, in my opinion the American aviation industry will go down the drain. The way to keep the U.S. aviation industry from being nationalized is to help it in the way the Government has helped so many other industries—among them, the dairy industry, which has been helped in connection with its production of milk. In this way we can now, for the first time, help this industry produce the needed planes, which it must produce if it is to remain in business.

In addition, I point out that these aircraft companies are not trying to persuade Congress to go along with this cost-sharing proposal.

Instead, Congress is trying to persuade them to go along with it. This proposal was made by the President, after it was found that the American-flag airlines had placed orders for the French Concorde. They placed those orders because they did not know whether Congress would "move off the dime" and proceed to enable the American companies to produce the needed planes. However, when Congress showed an interest, the orders for the new plane came in; and the American companies are lining up to place their orders for the first new planes of this type, because it is clear that the companies which operate supersonic planes will get the business.

Consider what happened to the propeller-driven planes when the jets first came into use. These supersonic planes will be relatively so much faster than the jets—as compared with the difference in speed between the propeller-driven planes and the jets—that the need for this development is clearly all the greater.

Furthermore, this program will not result in duplication of the research being done by NASA. The program will cause a design competition which will utilize the best brains in American aviation and will use NASA research, and NASA facilities, all of which is now being used and will be used, and will use the work done on the B-70. It will use both the proposed contribution by the Federal Government and the 25-percent contribution which the companies must make, under the provisions of the bill as reported by the committee.

The PRESIDING OFFICER (Mr. INOUYE in the chair). The time yielded to the Senator from Oklahoma has expired.

Mr. MAGNUSON. I yield 2 more minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 additional minutes.

Mr. MONRONEY. I thank the Senator from Washington.

Mr. President, these companies wish to be able to use American-built planes. If we were to eliminate this $60 million item from the bill, we might then just as well "throw in the sponge," because the result would be to cause a delay of 1 or 2 or 3 years; and our companies would not be able to enter the race that late and still attain production in a competitive market.

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. SALTONSTALL. Did not the committee make clear in its report that Congress will keep in close touch on this operation, and that after the second stage is completed, and before any further steps are taken, Congress will be notified?

Mr. MONRONEY. Yes, Congress would be notified if the operation goes beyond the President's program, which limits the expenditure by the Federal Government to $750 million; and the industry must provide its 25 percent of the total.

Mr. MAGNUSON. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Washington is recognized for 1 minute.

Mr. MAGNUSON. Mr. President, I cannot add very much to what the Senator from Oklahoma and other Senators have said about this item; but I point out to the Senator from Massachusetts that the hearings are replete with assurances that this arrangement never was intended by Congress to be utilized for the full program until after the designs have been completed and after it is definitely determined that this is what we wish to do.

Second, I point out that our committee held 10 days of hearings on this matter, even though the authorization for the Federal Aviation Administration had been included. We thought it important that we make careful examination of this matter; therefore, we proceeded with the hearings. We talked to the manufacturers involved. What the Senator from Oklahoma has said is quite correct—namely, the Federal Government has been trying to get the manufacturers to participate in this program.

Since the hearings closed, several downpayments have been made on orders which have been placed for the new type plane. So there is no question that American operators want to buy these aircraft, and there is no question about their agreeing to pay, in this connection, 1½ percent of their gross revenues.

I also point out that the research in connection with a project this large had to be handled in this way. Four or five years ago we hoped the aircraft companies would be able to do this work jointly; but we found that is not feasible. At one time, two of the American aircraft manufacturers thought seriously of working with Great Britain and France on the development of this new type of plane.

However, the main point is that after all the hearings, all the committee reports, all the Presidential studies, and everything else in connection with this matter, the fact still remains that the United States has had a lead in world aviation for a long, long time. Thank God, we had it prior to World War II. We even had it in World War I—small though it was. We have had that lead because the American companies have always built better airplanes.

The PRESIDING OFFICER. The time the Senator from Washington has yielded to himself has expired.

Mr. MAGNUSON. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Washington is recognized for 1 more minute.

Mr. MAGNUSON. Mr. President, I am sure that both the Commerce Committee and the Appropriations Committee almost reached the conclusion that if we were not going to build a better airplane than the British and the French are now building, we might as well forget about U.S. aircraft production, and begin to purchase from others the aircraft we need.

In short, we are setting out to do this in order to keep American air superiority in the world. If we find we can do it economically and feasibly, this is what we want to do, and Congress will be kept informed at all times. So the provision is worded in a strong way.

Mr. PROXMIRE. Mr. President, on the question of agreeing to my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I can quickly sum up my argument in support of the amendment.

The debate has been very revealing to me, because I think the Senator from Oklahoma, the Senator from Colorado, and the Senator from Washington—who are extraordinarily able and articulate, and who know far more about this field than I do—have agreed that this item has no direct military value and that it is of very highly questionable economic merit. As the Senator from Oklahoma said, it has been necessary to force the industry to agree to participate in this project, for the American aviation industry is not at all sure that it will work satisfactorily and that they will be able to charge fares sufficiently high to make the program pay. They realize that they may lose millions of dollars through this operation.

It will cost the Federal Government $750 million. This will be the first step in getting the Government into this kind of subsidy of the aircraft industry, and will be the beginning of at least a degree of socialization.

The argument the Senator from Oklahoma made against the amendment—and this is the argument which it is difficult to meet—was that in the absence of this huge expenditure, the U.S. military would lose the airframe industry. However, I ask this question: What do we want it for? I suppose we lost something when we stopped building battleships, and I suppose we lose something when we stop building any other kind of

weapon. But the President of the United States and the Secretary of Defense have gone along with the ending of spending by this Government for the construction of long-range supersonic bombers. They recognized the bombers are obsolete.

It is true that we are buying thousands of planes, but they are smaller planes. They are fighter planes. The overwhelming majority of planes produced by the aircraft industry in this country are produced for the military, and that will be the situation in the future. But how ridiculous, when the military has said that they will not use and do not want a supersonic bomber, for us to come along and say, "Yes, but whether the commercial people feel that the planes will be economically feasible or not, we feel we should appropriate $750 million to produce them, not because we think they will probably need it particularly, but because we want to keep the airplane industry alive."

Mr. President, I submit that is not an efficient way to operate the military. We have a $52 billion budget for defense in this country; and for us, in addition to that amount, to provide the kind of subsidy to private industry which is proposed, when it is agreed that it would be of no direct military value, seems to me not to add up.

I conclude by agreeing wholeheartedly with the Senator from Oklahoma [Mr. MONRONEY], who has said that if we are going to kill the $750 million program, the time to kill it is now, today, in the next few minutes, as we vote on the amendment.

I yield back the remainder of my time.

Mr. MONRONEY. Mr. President, will the Senator from Washington yield me 1 minute?

Mr. MAGNUSON. I yield.

Mr. MONRONEY. In answer to the distinguished Senator from Wisconsin, I should like to say that we have spent $5 billion for boosters for spacecraft. We will have spent approximately $6 billion when we get through with the program for the capsule. As the Senator from Colorado [Mr. ALLOTT] has said, it is highly important that we support both programs so that we might maintain leadership in aviation and keep our free enterprise system from surrendering to a socialized and nationalized industry, such as those which are bringing out that type of plane.

If we wish to tell the world that our modern industry cannot keep up in the 20th century unless we socialize, we shall do a great deal to make that impression worldwide by saying that we cannot afford to assist private industry to do the job.

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

Mr. MONRONEY. I yield.

Mr. ALLOTT. So that there may be no mistake, the amendment about which we are speaking does not involve $750 million, but an appropriation of $60 million.

Mr. MONRONEY. And the amount will not be spent unless industry meets the terms that the President has laid down. Otherwise, a report must be made to the Appropriations Committee.

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Wisconsin. On that question 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 Idaho [Mr. CHURCH], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Oregon [Mr. MORSE], and the Senator from Wisconsin [Mr. NELSON] are absent on official business.

I further announce that the Senator from Connecticut [Mr. DODD] is absent due to death in family.

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 Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], and the Senator from Wyoming [Mr. MCGEE] would each vote "nay."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from New Hampshire [Mr. MCINTYRE]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent because of a death in his family.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] and the Senator from Wyoming [Mr. SIMPSON] are absent on official business.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

If present and voting, the Senator from Nebraska [Mr. HRUSKA], the Senator from Iowa [Mr. MILLER], and the Senator from Kentucky [Mr. MORTON] would each vote "nay."

The results was announced—yeas 6, nays 72, as follows:

[No. 242 Leg.]

YEAS—6

Douglas	Holland	Robertson
Fulbright	Proxmire	Young, Ohio

NAYS—72

Aiken	Beall	Brewster
Allott	Bennett	Burdick
Bartlett	Bible	Byrd, Va.
Bayh	Boggs	Byrd, W. Va.
Cannon	Johnston	Pell
Carlson	Jordan, N.C.	Prouty
Case	Jordan, Idaho	Randolph
Clark	Keating	Ribicoff
Cooper	Kuchel	Russell
Cotton	Magnuson	Saltonstall
Curtis	Mansfield	Scott
Dirksen	McCarthy	Smathers
Dominick	McClellan	Smith
Eastland	McGovern	Sparkman
Edmondson	McNamara	Stennis
Ellender	Mechem	Symington
Ervin	Metcalf	Talmadge
Fong	Monroney	Thurmond
Gore	Moss	Tower
Gruening	Mundt	Walters
Humphrey	Muskie	Williams, N.J.
Inouye	Neuberger	Williams, Del.
Jackson	Pastore	Yarborough
Javits	Pearson	Young, N. Dak.

NOT VOTING—22

Anderson	Hickenlooper	McIntyre
Church	Hill	Miller
Dodd	Hruska	Morse
Engle	Kennedy	Morton
Goldwater	Lausche	Nelson
Hart	Long, Mo.	Simpson
Hartke	Long, La.	
Hayden	McGee	

So Mr. PROXMIRE's amendment was rejected.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ALLOTT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, the Senator from Arkansas [Mr. FULBRIGHT] graciously consented to the Senate's proceeding after 2 o'clock, despite the unanimous-consent agreement, in order to complete debate and action on the previous amendment. He is present now. I ask if his amendment is the pending business.

The PRESIDING OFFICER. The Chair lays before the Senate the amendment submitted by the Senator from Arkansas (amendment No. 325).

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, under the agreement, the Senator from Arkansas has 2 hours, and the opponents have 1 hour. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. MAGNUSON. I think the Senator from Arkansas will agree with me that it is entirely possible the debate on his amendment may not require 3 hours.

Mr. FULBRIGHT. That is quite possible.

Mr. MAGNUSON. Senators should know that.

Mr. FULBRIGHT. They should not rely on a vote coming in 3 hours. It may come before that.

Mr. MAGNUSON. There will be a quorum call before the vote.

Mr. DIRKSEN. Mr. President, if the Senator will yield, there are several committees meeting on various urgent matters. I think it would clarify the situation if we could get some idea as to how long consideration of the amendment will require. Will it take about 2 hours to have the debate on the amendment on both sides?

Mr. FULBRIGHT. My best guess is about 2 hours. It is only a guess.

I yield 15 minutes to the Senator from Pennsylvania, because he has a committee meeting to attend.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CLARK. Mr. President, I rise in support of the Fulbright amendment. The issue before the Senate was clearly posed yesterday by the Senator from Arkansas [Mr. FULBRIGHT] when he said, "The richest nation in the world nonetheless has limited resources." We are that nation. We must, therefore, select priorities among the thoroughly worthwhile proposals which are pressing upon the Congress for authorization and appropriation.

As the distinguished columnist, James B. Reston, said the other day with regard to our space program:

> The question is which comes first—the moon or the slums, the unexplored or the unemployed, security or solvency?

I hope the Senate will keep its eye on this question of priorities, because I do not think there is a Senator in this Chamber who is not interested in exploring the mysteries of outer space. Certainly I am. It is an exciting adventure. It is not only in our national interest, but in the international interest of all mankind. The only problem is, How much, how soon, and at what cost to other programs?

Mr. President, since the tax bill came over from the House—and indeed even before—there has been a wave of what I would call almost reckless economy sweeping the Congress. There seems to be a feeling that because the President's tax cut program will likely, in due course, pass, we must cut the heart out of all other programs before the Congress except those two sacred cows, defense and space.

I have no doubt that many Senators will enthusiastically be voting for this program. I myself shall support it if the Fulbright amendment is defeated—with some reluctance, but I shall support it. I shall support it enthusiastically if the Fulbright amendment is adopted. The same Senators who almost voted like sheep in 2 hours for a $47 billion defense act—and I did, too; I have no doubt it was needed—will be saying, in a little while, as they already have said by their votes and speeches on the floor, "We cannot expand the program for retraining the unemployed. It is too expensive. We must get a man on the moon ahead of the Russians. We cannot approve the extension of the Area Redevelopment Administration Act and give it a new authorization for appropriations. We cannot afford to bring new industry into areas of chronic and persistent unemployment. We must get a man on the moon."

In the other body, it is said we cannot have a youth employment opportunities bill because it costs too much money. The Senate is spendthrift, they say in the other body, so the House will keep the lid on expenditures, because "we must get a man on the moon."

The accelerated public works program—which I am glad to say was adopted in the previous Congress—will come to a halt because, it is said in the other body, we cannot afford it; we "must get a man on the moon."

It is said in the other body that we cannot spend money on mass transit problems, because we have to "get a man on the moon."

Mr. President, it is said that we cannot spend money, even as provided in the bill, to continue the graduate education of scientists, physicists, and engineers who are badly needed for the space program, because it is said that expenditures for education are not "fiscally responsible."

There has been some question as to how much the man-to-the-moon adventure is going to cost. Eloquent and able Senators have decried the position taken by the Senator from Arkansas and me in giving less emphasis to the man on the moon. They say this is only a minor part of the space program. Perhaps it is. But on the floor of the Senate, on August 8 of this year, when I was objecting to the authorization bill for the space program, and I suggested that perhaps $1 billion of the authorization would be utilized to put a man on the moon, I was corrected by the Senator from Ohio [Mr. LAUSCHE] and the Senator from Missouri [Mr. SYMINGTON], who said, "Oh, no; the figure is $2.5 billion to put a man on the moon."

I agree that those of us who are supporting the Senator from Arkansas are perhaps mildly overdramatizing the ludicrous side of this sterile adventure, this high school cross-country race, this phobia of competition as opposed to cooperation. We are doing it for good and sound reasons. We are doing it because what we get out of getting a man on the moon is as nothing compared with what we can get out of giving the unemployed skills so they may find jobs, out of what we can get by enhancing the educational opportunities of our American youth, and what we can do for our future by rebuilding our cities. These are the real challenges before America. These are the areas laying most sensible claim to our scarce financial resources.

In this overdramatization we are reaching for a basic truth. And that basic truth is what the Senator from Arkansas [Mr. FULBRIGHT] has been saying all along: it is a question of priority.

Twenty million Americans are on the brink of poverty, but we cannot do much about that, it appears, because all this money goes for space and defense.

I do not begrudge this money. I voted for it, but I do think it is too much and too soon. As the speech of the able Secretary of Defense, Mr. McNamara, made a day or two ago indicates, our defense expenditures are tending to level off. We should be stretching out our space expenditures, and we should be putting more of our not unlimited resources into programs of domestic well-being, which, in my judgment, have a considerably higher priority.

I have introduced—and it has been referred to the Banking and Currency Committee—a bill to be known as the Community Development Act of 1963, which would involve an expenditure of $3.1 billion over a 4-year period to rebuild our cities, to rehouse our lower income families, and to move forward with sound urban redevelopment.

Yet when that bill comes to the floor there will be Senators, voting today for the pending program, who will say, "We cannot afford it. Most of our resources have been put into a matter which we consider of far higher priority." That matter will be the man on the moon. But the priority is not higher; it is lower.

Therefore, I urge that we keep our sense of perspective. I urge again that careful thought be given several speeches of the President of the United States, who has said time and time again that outer space should be developed internationally; that no nation should attempt to get a priority; and that we should make this great effort a matter of international cooperation.

Why do we not, in our space program, get the help of nations in Western Europe which we have been helping back to prosperity? Where is West Germany's contribution to the space effort? Where is the French contribution? Where is the British contribution? Where is the contribution of the Lowlands? Where is the contribution of the richest little nation in Europe, Switzerland? Why should we carry the whole load?

I go further and ask, Why are we not making an earnest effort, as the President suggests—and I know he will want to do so—to bring the Russians into the program, so that dollar for dollar, Soviet money will be put up for this space project, and the dollars we save can be put into domestic programs?

No matter how we slice it, I suggest that behind the entire space effort is the immature concept that we have to get there first, ahead of someone else, so that Old Glory will wave on the moon before the Red Star.

I would like to see the flag of the United Nations on the moon. I would like to see an international cooperative effort to conquer space. In that case I would be prepared to vote every dollar of the U.S. funds to pay our fair share. But why should we carry the entire load?

I should like to make a few brief comments about a part of the debate yesterday. I refer Senators to the comments of the very able Senator from Mississippi [Mr. STENNIS] yesterday, which appear at pages 22379 and 22380 in the RECORD, where he calls attention to the close relationship between the space program and defense. He points out that perhaps we are not being entirely candid when we consider space expenditures as being entirely for civilian and peaceful uses. He says that this effort is essential because from the military point of view we must conquer outer space. Those are not his exact words, but I believe they are a fair paraphrase of his thought.

I suggest again, with all due deference to my good friend from Mississippi, whose sincerity I honor, but with whose views I find myself not in accord, that we should look at this problem on the basis of international cooperation, not international competition. We are not trying to conquer outer space for the United States of America, and we should not be; and the President has said, time after time, that so far as he is concerned we are not.

I suggest that the argument of the Senator from Mississippi against the Fulbright amendment carries him to the full length of suggesting that we should go into outer space as a part of our effort to prepare for war. I suggest that that philosophy and concept is erroneous.

With all due deference to my good friend, the Senator from Mississippi, that is the way I feel about it.

Yesterday there were comments made by other Senators, including the Senator from Oklahoma, which I undertook to answer in the RECORD at pages 22382 and 22383. Comments also were made by the Senator from Massachusetts [Mr. SALTONSTALL], who suggested that the space program is essential to insure our national security.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. I yield 1 additional minute to the Senator from Pennsylvania.

Mr. CLARK. If what the Senator from Massachusetts has said is really the case, then perhaps the Fulbright amendment is wrong. However, I suggest that that case has not been made, and I suggest further that it cannot be made.

Mr. President, as I hasten from the floor to add my little bit as a member of the Banking and Currency Committee, to make it possible to go forward with the wheat deal with the Russians, I end on this note. The Fulbright amendment raises important philosophical questions for Congress. It should be fully debated. I wholeheartedly support it. I hope it will be adopted.

Mr. FULBRIGHT. Mr. President, I yield 3 minutes to the Senator from New York.

A CODE OF ETHICS FOR THE SENATE

Mr. JAVITS. Mr. President, I interrupt the debate on the pending bill only because I have a rather special point I wish to make with reference to the colloquy that took place on the floor yesterday, relating to a code of ethics for the Senate itself.

As I am the principal sponsor, together with the Senator from New York [Mr. KEATING], of Senate Concurrent Resolution 5 and S. 281, designed to develop a code of ethics for the Congress through a joint committee and to provide an interim code of ethics, I wish to address myself to this situation.

I feel that we must have a code of ethics for the Senate. I do not believe such a code would make us class B or any other class of lesser citizens than other Americans. On the contrary, since we are riding herd so closely on the executive department regarding alleged conflicts of interest, and are keeping such a close eye for any derelictions in the judiciary, we cannot exclude ourselves.

We in Congress vote on everything under the sun. If we tried to disqualify ourselves because of any relationship we have to any of these matters we vote on, we probably would sit here mute and voteless most of the time. The only substitute is full disclosure.

Therefore, I should like to join with the distinguished Senator from New Jersey [Mr. CASE], with the Senator from Oregon [Mrs. NEUBERGER] and with my colleague from New York [Mr. KEATING] in the plea to Congress for action on this proposed legislation.

My bill, for example, is based on my experience as attorney general of the State of New York, where we actually put into effect a code of ethics for legislators.

It did not end the world. It did not materially embarrass their legislative work. Every legislator felt himself to be as much a man of dignity and probity afterward, as he was before.

I put that system into effect. It is a relatively simple system. It calls for a disclosure of substantial investments or loans, or anything of that nature, having to do with a company regulated by the State.

My bill in Congress relates to any enterprise regulated by the Federal Government and requires disclosure of one's interest in it.

Whether a Senator disqualifies himself from voting or not is his business; but I believe the public has a right to know what he owns on the question of accountability. We are living in a fish bowl. We are public trustees. For example, a Senator may be asked about his vote on a particular subject. I had that problem in New York the other day regarding a referendum on offtrack betting. I could have said, "My vote is secret. I cannot tell you anything about it." But I would not dream of doing that. Because of my position, I stated how I voted—I happened to have voted "no" in that case—and why I did so.

I know there was a discussion on this subject yesterday. I have complete respect for my colleagues, including the minority leader, who so graciously came into the Chamber when he learned I would speak on this subject. I have the greatest respect for differing points of view. Discussion can only be helpful, because it will concentrate public attention upon this situation.

Many of us worry because of a seeming diminution of public respect for Congress, which may be attributable to the fact that the session has continued so long and we have not done much. In my opinion, the reason is a failure of governance on the part of the President and the majority party. Nonetheless, the respect for Congress as a whole has declined somewhat.

We can do much to fortify the respect people have for us if we do not try to write a special deal for ourselves. We must class ourselves with the very people whom we are, in a sense, supervising. In accordance with the Legislative Reorganization Act, we have legislative oversight over all Government departments. If we set standards of ethics for them, then we have a duty to set a standard of ethics for ourselves. I do not consider that to be the remotest diminution of our dignity, any more than judges who impose upon themselves canons of ethics suffer any diminution of their dignity when they pass upon the affairs of other people; or corporate directors, who must report their transactions to the Securities and Exchange Commission or other trustees.

I hope the Senate will act soon on the proposed legislation.

I ask unanimous consent to include as part of my remarks editorials from Life magazine and from the New York Times on this subject:

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

[From the New York (N.Y.) Times, Nov. 20, 1963]

CAPPING THE PRESSURE

More than the good name of the Senate is involved in the machinations of Senate Aid Robert Baker; at stake is public confidence in all who pass and execute the laws in Washington. That is why Senator CASE, of New Jersey, has urged the Committee on Rules and Administration to let the investigation be a real one no matter where it leads. His warning must be heeded in the Congress.

Federal legislators do have ethical ground rules to guide them on certain activities. They may not receive outside compensation for rendering services before a Government agency; nor may they negotiate contracts with the Government, accept payments or gifts for rendering any services, practice law before the Court of Claims, or conspire to defraud the Government. These, of course, cover only the most obvious and flagrant abuses.

But there is a gray area where conflict of interest does arise, as, for example, where a pre-Washington legal or business connection continues and legislation comes up which may profit a Congressman or his family. Here private and public interest collide, and scrupulous behavior is essential, though it is not always observed.

A joint committee on ethics has been proposed, which would call for fuller disclosure by members of Congress of their outside dealings. A number of other specific recommendations have been made to establish watchdog committees in Congress to investigate charges of conflict of interest and rule on them. Surely a code of ethics is called for to define official propriety. Unfortunately, it is obviously needed—as has been proved once again by the recent affair involving Representative BYRNES of Wisconsin.

There cannot be two codes—a tough one for executive wheelers and a lax one for legislative dealers. The Senate Permanent Subcommittee on Investigations has uncovered facts which have led to resignations outside of Congress; the Senate Rules Committee should show equal vigor in self-examination. The "pressure of opportunity" (to use President Kennedy's felicitous phrase) exists in and out of Congress; it must be capped wherever found.

[From Life magazine, Nov. 17, 1963]

CONGRESS SHOULD POLICE ITSELF

"I believe that my retainer has not been renewed or refreshed as usual. If it be wished that my relation to the Bank should be continued, it may be well to send me the usual retainers." Thus wrote none other than Senator DANIEL WEBSTER to the Bank of the United States in 1833. The messy state of governmental ethics it denotes was somewhat improved in the early 1850's. But to judge today from the tangled trail of Senate Democratic Majority Secretary Bobby Baker the U.S. Congress seems overdue for another cleanup. Congress rigorously polices the conflict-of-interest rules that govern such appointed officials of the executive branch as the New Frontier's indiscreet ex-Navy Secretary Fred Korth. But the Congressmen's own

private law practices, business connections and investments, their personal lives, are their own affair subject only to review by their constituents at reelection time. "I fear that it has a corroding effect," Oregon's late Senator Richard Neuberger once wrote, "when a member of the President's Cabinet can be ordered to jettison his corporate portfolio by Senators who may themselves be dabbling in oil, cotton futures, television, hotel chains or uranium."

Corrosive it is indeed—and one of the most profound problems of modern democracy. Just how should a parliamentary body police its own unwritten honor system that is or ought to be binding on the membership? The British precedent is harsh. Cabinet ministers are expected to divest themselves wholly of business commitments on taking office. M.P.'s who wish to speak or vote on any matter in which they have a financial interest must first, so goes the phrase, "declare interest." Ethical conduct of office can be enforced most sharply by the Tribunal—an independent, "quasi-legal," judicial inquiry set up by motion of both Houses of Parliament. While not a court of law, the Tribunal has the high court judge's power to compel attendance and testimony of witnesses under oath. It can require men who have been mere bystanders to expose their private lives and conversations more or less like prisoners in the dock.

In the United States, parliamentary reformers also proceed along the alternative courses of divestment and/or disclosure. The second is more promising. In the current session of Congress, as in the previous three, New Jersey Republican Senator CLIFFORD CASE has introduced legislation that would require Congressmen and executive department officials alike to disclose their net worth. Specifically, CASE wants Congressmen to report each year all sources of income, including gifts of $100 or more, also to report all trades of securities, commodities and real property—these last to be filed with the Comptroller General as part of the public record. CASE and his cosponsors would even insist that any Congressman who does his duty for his constituents by intervening before regulatory agencies, tax commissions, etc., do so only in public and that their letters or statements also become part of the record.

Would all this frighten able but nonaffluent men away from the Congress much as from the executive branch? Not so, say the reformers, and especially if Congressmen get the pay raise from $22,500 to $32,500 they have been awaiting for almost 10 years.

Wrote Hamilton in "The Federalist": "The aim of every political consideration is, or ought to be, first to obtain for rulers men who possess most wisdom to discern, and most virtue to pursue the common good of society; and in the next place to take the most effectual precaution for keeping them virtuous."

There are those who argue that such congressional reform as CLIFFORD CASE's cannot be enacted and ought therefore to be abandoned—or that there is no real way to legislate the private standards of a public servant, so why bother. They are flouting "the most effectual precaution" advocated by Hamilton as a must for democracy. They are opting, in effect, for the doctrine of South Dakota's Senator KARL E. MUNDT, who once remarked good humoredly and unforgettably, "You can't make a Senator do anything."

INDEPENDENT OFFICES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 8747) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1964, and for other purposes.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the distinguished junior Senator from South Dakota.

Mr. McGOVERN. Mr. President, I commend the distinguished Senator from Arkansas for the leadership he has taken on the subject before the Senate. I am pleased and proud to be a cosponsor of the amendment. I first came to understand the Senator's position several months ago, when I read a series of lectures he delivered at Tufts College before the Fletcher School of Law and Diplomacy, in which he outlined brilliantly the reasons for the amendment he is offering today. Those lectures have since been published in book form, in a volume that I hope every Member of Congress will read. In it, the Senator deals not only with the space problem, but with the whole range of American values in the 1960's, as well.

I believe it is that larger problem that we are discussing today—the question of what constitutes national strength. The Senator from Arkansas is not advocating a policy of weakening our country; he is advocating a course of action which will strengthen the people of the United States and will make this country a better place in which to live, a stronger country, one that is more capable of meeting its responsibility in today's world.

We have fallen into a pattern in our country in which we are too prone to measure national defense in terms of military spending alone. We talk about the defense budget, which is perfectly proper; but defense is measured by many more indexes than the amount of money spent on armaments, or even spent on the space program. There is a notion in some quarters that the reason for heavy Government spending is that there has been a sharp increase over the years in the amount of funds devoted to welfare purposes—such programs as education and health—whereas, the fact is that in recent years we have been spending a smaller and smaller proportion of our Federal budget for those purposes, and a larger and larger percentage for such programs as those of the Defense Department, space science, and atomic energy.

If we examine the Federal budget for this year, it becomes clear that we are allocating directly to the armed services about 50 percent of the entire Federal budget. Once we turn the Federal dollar over and look at the other side, we find that another 78 percent of the Federal budget is allocated to programs related to national defense, programs such as space science; veterans' benefits, with which none of us quarrels; and interest on the Federal debt, which is almost entirely a war debt. So it is perfectly correct to say that about 28 percent of the entire Federal budget is devoted to paying for the cost of past wars or preparing for a possible future conflict.

When we look at the items in the Federal budget that could bear a welfare label, even in the broadest sense of the term—everything we are doing in the field of education, in the field of health, in the field of aid to the blind, medical research—all those programs combined take only 7 cents of the Federal dollar. Twenty-five years ago we were spending several times that much. My recollection is that more than one-third of the Federal budget in 1940 was allocated to welfare programs for which we now designate approximately 7 percent of the budget.

Big government itself is associated not with the growth of welfare programs, but with the growth of what could be called warfare programs. The senior Senator from Pennsylvania [Mr. CLARK], who has left the Chamber, recalled a few minutes ago that a few weeks ago the Senate approved a $47 billion defense budget in about 2 hours.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. FULBRIGHT. I yield the Senator 3 more minutes.

Mr. McGOVERN. I thank the Senator. At the time that appropriation was being considered, some of us made an effort to bring about a modest reduction in the appropriation. It was unfortunate that the timing necessarily had to be on the same day that the Senate dealt with the ratification of the test-ban treaty. Within a matter of minutes after the Senate had approved the test-ban treaty, it turned to the consideration of the defense appropriation. In that climate of opinion, many Senators were fearful of voting for reductions in the defense budget, believing that they might be accused of giving in to the so-called euphoria in the wake of the approval of the test-ban treaty. But I am convinced that a growing number of Senators and Representatives are concerned about the approval of a far larger defense budget.

I hope we may anticipate next year—and I fully believe that we may—a much longer and more intensive examination of military appropriations on the floor of the Senate. I am proud to be one of two Senators who voted for a 10-percent reduction in the programs for procurement and research and development in the defense budget, not because we thought that that would weaken the defense budget, but because we thought that the way to strengthen the United States was by reducing our investment in surplus equipment that is not needed, and by preventing the allocation of so much of our scientific and industrial resources to military purposes. This is the basic reason why I support the amendment proposed by the Senator from Arkansas, who is suggesting exactly the same approach to the space budget that I proposed in connection with the defense budget—namely, a 10-percent cut in the funds. The amendment would not in any way curtail proper operation of the space program, but it will help put it into better perspective. It would free scarce resources and also manpower which is urgently needed for other purposes.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. McGOVERN. Mr. President, I thank the Senator from Arkansas for yielding this time to me.

Mrs. NEUBERGER. Mr. President——

Mr. FULBRIGHT. I yield 3 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 3 minutes.

Mrs. NEUBERGER. I thank the Senator from Arkansas for yielding this time to me.

Mr. President, I wish to express my sympathy and association with the remarks of the Senator from South Dakota, who has pointed out that too many of our domestic programs are bound to be curtailed if we invest so much money in the race to the moon.

It is often asked, "Why not do both?" But, Mr. President, it seems to me that in dealing with multibillion-dollar programs, it is wise to consider their relative importance and to arrive at a correct understanding of the priorities involved.

THE MOON IN FOCUS

In that connection, let us consider education. Is it more important to place a man on the moon by 1970, rather than 1980 or 1990, or to engage our energies in the pursuit of an educational system adequate to the demands of the mid-20th century? Is a base on the moon a more critical need than adequate housing for the earthbound? Does the accelerated procurement of a $150 million rocket booster outrank the expansion, at a comparable cost, of the Federal Government's contribution to vocational education?

Who is not intrigued by the prospect of landing a man on the moon? It is a romantic goal. We have conquered many new frontiers, such as was done when Lewis and Clark succeeded in reaching the Oregon country. Now we are looking for new fields to conquer. An accelerated program to land a man on the moon is an appropriate goal for a nation which has fulfilled the material needs of its citizens. But we are not yet that civilization.

Last month the voters of Oregon rejected an increase in their State income tax. Because of this, the State of Oregon is now forced to shortchange the students in its schools, the needy on its welfare roles, the unfortunate inhabitants of its State institutions. These are tragic lapses.

The PRESIDING OFFICER. The time yielded to the Senator from Oregon has expired.

Mr. FULBRIGHT. Mr. President, I yield 2 more minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 additional minutes.

Mrs. NEUBERGER. I thank the Senator from Arkansas.

Mr. President, who can turn to the citizens of his State and say, "You cannot afford to serve the needy, but I have just endorsed your participation in a great romantic—and extravagant—adventure."

The Senator from Arkansas has prepared his case well. He cites our principal military leaders in support of his claim that the moon project has no direct bearing on our military security. He argues with taut logic that the increment to our international prestige from a successful moonshot would be of relatively minimal benefit. And he dispatches with deserved scorn the argument that a successful moonshot is essential to preserve the damage caused to our collective psyches by the launching of Sputnik in 1958.

In short, Mr. President, the Senator from Arkansas has made his point. I am honored to be a cosponsor of his amendment.

Mr. GRUENING. Mr. President——

Mr. FULBRIGHT. I yield 6 minutes to the Senator from Alaska [Mr. GRUENING].

The PRESIDING OFFICER. The Senator from Alaska is recognized for 6 minutes.

Mr. GRUENING. Mr. President, I rise in support of the Fulbright amendment. It would cut $519 million from the $5,700 million proposal for the Space Administration. I would find it difficult not to agree with the cogent, logical, and persuasive arguments presented for this 10-percent cut in the large space program appropriations. No Senator minimizes the importance of the space program, but there must be some limit upon the expenditures made at a time when other domestic needs which I consider far more pressing are neglected on the ground that the Nation cannot afford them.

I am far more concerned with the 5 million American unemployed than I am with getting one, two, or three men on the moon at the earliest possible date. To me, the unemployment of 5 percent of our working force poses a far greater challenge than a race with the Russians to see which nation will first place a man on the moon.

Right now, a program of major importance to the national economy—the public works program—has run dry of funds. Many admirable projects have been processed and are ready to go but cannot go into effect because the money has run out. This public works program, for which $800 million has been appropriated, has done great things, within its fiscal limitations, to begin needed projects and to put our unemployed back to work. But the sum authorized and appropriated for that purpose was far from adequate. It should have been many times larger. I have pending an amendment to increase the authorization to $2,500 million for public works on the planet on which we live, so as to take care of the needs of the people on this populated orb, rather than to propel one, two, or three men to our unpopulated satellite.

The amount which would remain after the adoption of the amendment of the Senator from Arkansas, which would reduce the pending NASA authorization, would be twice what has been requested and what is needed in order properly to restore the accelerated public works program. I repeat my conviction that no more important undertaking challenges Congress; no need is more pressing; no purpose should be given greater priority than that given to the program to put our unemployed men and women back into the dignity, self-sufficiency, self-respect, and happiness of gainful employment.

Mr. President, I could list many other needs on this terrestrial sphere which, in my view, should have priority over the inflated space program, however desirable it may be—and I do not minimize its importance. There are many needs in addition to the needs for reemployment, such as education, health, and slum clearance, all of which are intimately intertwined with the historic American aspirations for a better and more abundant life. In relation to our earthly needs, which are not adequately supplied by current authorizations and appropriations, the billions of dollars sought for the crash space program seem to me needlessly large.

Nothing that I can say can amplify the eloquent words spoken yesterday by the Senator from Arkansas [Mr. FULBRIGHT], whose amendment has been so ably supported by the Senator from Pennsylvania [Mr. CLARK], the Senator from South Dakota [Mr. McGOVERN], and the Senator from Oregon [Mrs. NEUBERGER].

I am proud to be associated with them in this constructive effort.

Mr. FULBRIGHT. Mr. President, before I yield further time, let me inquire whether other Senators wish to have time in which to speak.

Mr. MAGNUSON. The Senator from Missouri and the Senator from Florida wish to have time yielded to them.

Mr. FULBRIGHT. I wish to reserve part of the time under my control.

Mr. SMATHERS. Mr. President, I shall be glad to proceed at this time, if that is desired.

Mr. MAGNUSON. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. SMATHERS. Mr. President, first, I should like to say to the distinguished Senator from Arkansas that I voted with him on the foreign aid bill and at no time did I support any of the cuts he opposed. So I do not want him to begin to believe that he is getting even with the Senator from Florida by proposing an amendment of this type. I hope he is not trying to do that, because there is no basis for it.

Mr. FULBRIGHT. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am glad to yield.

Mr. FULBRIGHT. The foreign aid bill is not in the same category, and has not the same relationship to Arkansas that the pending bill has to Florida. The foreign aid bill did not contain anything for Arkansas, whereas the pending bill provides an appropriation of approximately one-quarter of a billion dollars, I believe, or perhaps more, for Florida. I congratulate the Senator from Florida

for having that interest in the bill. The question of whether the amendments offered to the foreign aid bill were or were not adopted was not important to Arkansas.

Mr. SMATHERS. I am sure that is true, and I realize that it is not important to the Senator from Arkansas to have that much money spent in his State, or that having that much money spent in his State would in no wise affect his support of this cut.

Mr. SYMINGTON. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am glad to yield.

Mr. SYMINGTON. Yesterday, the State of Missouri was referred to in connection with the moon program. I state for the rcord that, so far as I know, the Lunar program contains nothing for the State of Missouri. A manufacturer from Missouri tried hard to get the Apollo program, but lost. Therefore, to the best of my knowledge, no part of the Lunar program is in Missouri.

I thank the Senator from Florida for yielding.

Mr. SMATHERS. I thank the Senator for that comment. I should like to get the record straight with the Senator from Arkansas.

Mr. FULBRIGHT. I also want to get it straight. I am not trying to punish anyone for voting for or against the foreign aid bill. Of that I can assure the Senator. The libel is going about that the foreign aid bill was the Fulbright bill. That was strictly a libel. It was the administration's bill.

Mr. SMATHERS. I understand that completely, and I supported the Senator from Arkansas.

Mr. FULBRIGHT. I was not a special sponsor of that bill, therefore I did not wish to admit even the possibility or the thought that I was trying to get "even" with anyone because of the way they voted on that bill. It has nothing to do with it.

Mr. SMATHERS. Somewhere I read in the RECORD or in the newspapers that the able Senator from Arkansas said, "They are starting to cut the foreign aid bill and I should like to let them know that we can cut some of these other bills, too." I did not hear that.

Mr. FULBRIGHT. I made the statement: "They struggled 3 weeks to cut foreign aid $500 million. Here is an opportunity to save just as much money in one simple amendment." A more efficient use of the time of the Senate is the only point I made.

Mr. SMATHERS. At the time the Senator from Arkansas made that statement, it is too bad the RECORD could not show the statement, "He said that with his usual cute, wry grin on his face."

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

Mr. MAGNUSON. I yield 5 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 5 minutes.

Mr. SYMINGTON. I did not intend to get into this colloquy but both the Senator from Arkansas and the Senator from Florida have mentioned this matter. I noticed in the RECORD this morning—I had not realized it—that the distinguished Senator from Arkansas said he pleaded with me on the foreign aid bill. We all know that the Senator from Arkansas would plead in a kind and fair fashion. As I remember, the Senator from Arkansas recommended a cut of $385 million in the Senate bill, which I did not support. Perhaps that reduction was too much, one could have thought at the time. But in the end, we did vote to cut the bill to $3,700 million.

Knowing the Senator is fair in his thinking on these matters, I would remind him that he did say to me in discussion of the aid bill, at one point, that what he was most interested in was the amendment that had to cater to the trade aspect with respect to some countries. He added he hoped that I could support that particular amendment.

To the best of my knowledge, this is the only time he ever spoke to me about the aid bill in question. I not only voted with him on that amendment, but also I spoke several times on the floor in favor of what he desired, and would hope I had a small part in the vote, which resulted in a 55-to-11 victory for the administration.

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

Mr. MAGNUSON. Mr. President, I yield the Senator from Florida 5 more minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. FULBRIGHT. I appreciate the comments of the Senator from Missouri. He is quite right in respect to what I said. I did not speak to him about the other matter, for since he is a member of the Committee on Foreign Relations and had attended the hearings very conscientiously, I did not believe it was necessary. He understood as much about the bill as I did.

Mr. SMATHERS. Mr. President, I was at Cape Canaveral last Saturday, and was privileged to be with the President of the United States. While there, we saw the many marvelous things which are being done.

I believe the leading military authorities of the United States as well as some of the leading scientists working on the program were also present.

I remember very distinctly the question that was asked: Does this program have any military benefit whatever?

Emphasis was placed on the fact that it had great military benefit, and that if it were possible for the Soviet Union or the Communist world somehow to control outer space, most of the weaponry we have today would be of no use whatsoever. It would be absolutely obsolescent.

I remember hearing that statement only a few days ago, and it made a profound impression upon me.

I remember hearing the question asked: Is there any possibility that what we are doing at the cape might eventually be used to control even the weather?

I remember hearing one great scientist there saying, "Yes; we believe there is the possibility in this area of finally doing something with the weather."

It is obvious that if any country can control the weather of any other country, if it were possible for the Communists to say there are going to be nothing but droughts in the United States, no wheat to sell, no barley, no rice, no citrus, this would be a barren world and they might take it over and control it. They did not say that was going to be done, but it is possible that it could be done.

I remember hearing in some other discussion that one of the reasons we are somewhat in trouble with the Communists today is that in the early days when we could have put a sputnik into the air rather easily, a mistake of judgment was made, not by one man—not by any individual, certainly—but by a group of people. Even with the missile power we then had we could have put a sputnik into the air, and probably before the Soviet Union did.

We did not do it. We did not do it because we did not want to spend the money. No one realized that people throughout the Western World would be impressed with the economy of the Soviet Union and the caliber of its scientists and technology, and all the rest.

The fact that the Russians were able to put in orbit the sputnik is one of the reasons we have had more and more difficulty around the world. Communism has been able to say, "We have been in existence only since the early 1900's, and look what we did. We have put a sputnik in orbit, and we were the first to put people up there. Perhaps our system of bringing people out of poverty and giving them that which they want is quicker and better than that of a free enterprise system." That is one of the reasons we have many problems, even in our foreign relations today.

Mr. FULBRIGHT. Will the Senator yield further?

Mr. SMATHERS. If I can get a little more time.

Mr. FULBRIGHT. I do not quite follow the argument of the Senator from Florida. Does the Senator say that since they have put up the sputnik we have had considerably more difficulty? Does the Senator intend to say that other countries voluntarily became Communist as a result of the sputnik?

Mr. SMATHERS. I do not say they have done so voluntarily. But I say on the Dark Continent of Africa and in Latin America, Communist talk, with respect to how effective the Communist system is, is given great impetus because they were first in space.

Mr. FULBRIGHT. What is the evidence of this? I was under the impression that our relations with many of these countries, particularly with Russia, was somewhat less tense today than it was at the time of the sputnik.

Mr. SMATHERS. We have had the Berlin crisis since the day of the sputnik.

Mr. FULBRIGHT. It was more crucial before than since.

Mr. SMATHERS. We have had the situation in Cuba, and we have seen other things develop wherever we go. I have traveled somewhat in that area, and I have heard the Communists say, "Look what we can do." Every day we listen to Mr. Khrushchev, we hear him say, "We are going to catch them, because we are doing a better job."

I do not believe it, and the Senator from Arkansas does not believe it.

Mr. FULBRIGHT. No; and I do not believe anyone else does, either.

Mr. SMATHERS. I disagree. Why do we have to continue to appropriate such large sums of money for foreign aid?

Mr. FULBRIGHT. We do not have to. For foreign aid?

Mr. SMATHERS. For foreign aid.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. MAGNUSON. Mr. President, I yield the Senator from Florida 5 more minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 additional minutes.

Mr. FULBRIGHT. I thought the Senator was going to say the space program——

Mr. SMATHERS. No, the Senator was asking for a large foreign aid program. I am with him on that.

Mr. FULBRIGHT. How inconsistent can the Senator be? The Senate just cut the request of the administration by more than a billion dollars. Is that evidence that the Senate is not as concerned about the threat of communism as it was?

Mr. SMATHERS. I am not worried about the Senate. I am worried about the Senator from Arkansas.

Is the fact that a cut was made in the foreign aid program any reason why the Senator from Arkansas should turn around and say, "Now we should cut the space appropriation because foreign aid was cut. I want the space program to be cut."

Mr. FULBRIGHT. I did not say that. The Senator is saying that.

Mr. SMATHERS. What I am trying to say to the Senator from Arkansas is that he and I are usually together on programs. I believe, in most respects, we still are.

How well we do in outer space has a great deal to do with our foreign aid program, because it gives us prestige and standing. But I do not want to spend all my time on that.

Mr. FULBRIGHT. Let me say one thing about foreign aid. I deny any such connection. The basic speech I made yesterday I made last spring, about April, as soon as I found out about the outrageous request for a space program.

That is in the RECORD. The Senator from South Dakota referred to it. It has been printed. That was last spring, before foreign aid was under consideration by the Senate.

Mr. SMATHERS. I do not wish to misquote my good friend, and I do not wish to make any imputation with respect to him which is not correct, but I should like to have the full value of his statements.

Mr. FULBRIGHT. In fact, I thought then that the cut should be about $1 billion.

Mr. SMATHERS. There is no question that the space program has much to do with our defense. I should like to mention another related subject.

There are spinoff benefits from this program which are absolutely fantastic, medically. I have been made acquainted with the fact that since the work has been done on the Mercury astronaut suits, great good has been accomplished for people who previously suffered from heart disease of a certain type. I do not know exactly the technical name for it, but it is some cardiovascular trouble. What has been learned from the development of the Mercury astronaut suits has enabled hundreds of thousands of patients to put on the same kind of suit and to become ambulatory, useful citizens.

In the space program there has been developed a guidance system and, as a refinement, there has been developed a radar system which can be put around the chest of a blind person to help him. This is quite remarkable. It achieves better results than the seeing-eye dogs who used to lead the blind. The blind can tell whether they are going up or down steps. They can tell when they are approaching an object. The system is like that used by an airplane flying at a rapid speed through the darkness at night, or in bad weather. By use of this device, a blind person can "see."

If I had time, I could name about 165 "spinoff" benefits to the medical profession which have resulted by virtue of this particular program.

Of particular interest to me, because of a rather painful experience, is the development of a certain type of spinning object, such as is, I believe, used in the nose cone of the Mercury capsule, which moves fast, in order to cut down heat. The dental profession is now using this. It is entirely possible that even the Senator from Arkansas could join with me, without fear, in going to the dentist in the future, because the work would be painless.

These are only a few of the things which result from this type of program.

I end my comments with a little appeal. I am certain that when Columbus started his journey to discover a short way to the Indies he did not really know what he would find. He discovered a great continent, a rich continent. He made history. The benefits which have resulted for mankind have been tremendous.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. MAGNUSON. Mr. President, I yield 2 more minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 additional minutes.

Mr. SMATHERS. We do not really know what is in outer space. As the Vice President and others have said, if we are first on earth we ought to be first in space, because if we are not first in space we may no longer be first on earth. There are many things out there which need to be discovered. If they are discovered by someone else, the result may be to reduce us to the status of an impotent nation with no defense, with no weather information, with no scientific development of the character we need.

There are many things to cut. I did not vote for a cut on the foreign aid bill, and I shall not vote for this proposed cut, because I cannot help thinking that it is not in the character of the American image and of the American people. We are always exploring, always moving out seeking to be first.

There are many things yet to be discovered which can redound to the benefit not only of the United States, but also of all humanity. This is not the place or the time to become overly conservative and to cut.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, I yield 10 minutes to the distinguished Senator from Missouri [Mr. SYMINGTON].

The PRESIDING OFFICER. The Senator from Missouri is recognized for 10 minutes.

Mr. SYMINGTON. Mr. President, in the debate on this amendment yesterday, certain statements were made which would indicate that the civilian space program has little military value.

The statement was made also that the manned lunar program is not essential to the Nation's security. To my knowledge, no one has contended that the Nation will be any weaker or less able to defend itself if this program is substantially cut back.

To support these statements answers by Gen. Curtis LeMay, Chief of Staff of the Air Force, and Gen. Maxwell Taylor, Chairman of the Joint Chiefs of Staff, were used.

Mr. President, I have listened to testimony from many witnesses, both civilian and military, over the past few years; and while there is some disagreement, of course, as to the manner in which the programs shall be pursued, I have yet to hear anyone, particularly in the military, say that our overall national space program does not materially aid the national security of the United States.

I take this opportunity to quote some of the military figures and defense figures who have testified in recent days with respect to the question now before the Senate.

General LeMay, who appeared before the Committee on Appropriations of the House of Representatives on the Defense Department Appropriations Act for fiscal year 1964, stated on page 587 of those hearings, and in answer to a question whether there was much military application to our moon shot program, application to military requirements, the following:

> No, it is not aimed primarily at military application, but I am sure a lot of the techniques and scientific information that evolves from this program will have military application and use.

General LeMay later answered with respect to a question whether he thought

it was wise for the United States as a nation to undertake the expenditures in space to reach the moon in a manned flight:

This is a very difficult one to answer from a strictly military standpoint, of course, I would rather be trying to go to the moon for other reasons—in other words, aim it as a military project rather than just a scientific project, let science fall out rather than let the military applications fall out of it.

Secretary of the Air Force Zuckert, in appearing before the Armed Services Committee of the House on military posture hearings, stated:

In recognition of the increased impact of space programs on our national resources and their direct effect on our future national security, Air Force space activities are closely coordinated with the National Aeronautics and Space Administration. One example is the recent agreement between the Defense Department and the National Aeronautics and Space Administration on the Gemini program.

Let me quote from Gen. Bernard Schriever, who appeared before the House Subcommittee on Manned Space Flight of the Committee on Science and Astronautics in the hearings on the NASA fiscal year 1964 authorization:

In connection with General Schriever, especially now that Admiral Raborn has retired, I believe it would be almost universally agreed that no one knows more about newer weaponry and newer weaponry plans than the able general who now heads the Air Force Systems Command, General Schriever.

On page 833, General Schriever is shown to have stated:

I have also often stated my belief that the civilian and military portions of the national space program must complement each other with closest possible relationships at all working levels. This is why I have taken management and organizational steps such as establishing General Ritland as my Deputy for Manned Space Flight.

Quoting General Schriever further in the same hearings, in answer to the question:

Is this manned trip to the moon necessary in your judgment?

General Schriever's answer was:

I have always felt that a lunar program was an essential objective for the overall national space effort.

General Schriever later in answer to a question asked of him whether there is both a civilian as well as a military gain or benefit from this research and development for the manned lunar landing, answered:

Yes, definitely. Here again it is a little bit difficult to compile a laundry list of specific items and say these all have applications to the military mission. However, I can point out certain things. The Gemini program, for example, certainly has tremendous contributions to make in the objectives of that program. The whole matter of the man and creating an environment for man to operate in is absolutely essential from a military point of view.

The near earth activities are of greater interest to us than the ones that are essentially involved with a lunar orbit and the lunar part of the job. That does not mean that some future date this will not also interest us.

I would like to quote from the House Committee on Science and Astronautics hearings on space posture when General Ferguson, Deputy Chief of Staff, Research and Development, testified as follows:

The space activities of NASA have produced and will continue to produce highly important data which is available for application to problems of national security * * *. In seeking to identify and advance the development of military capabilities for space, the Air Force wishes to take full advantage of the important knowledge that NASA acquires. We strongly support, in both thought and action, the necessity and the value of NASA's scientific explorations.

I would like to call the attention of the Senate to the letter introduced in the RECORD on August 9 of this year by the Senator from Nebraska [Mr. CURTIS] in connection with NASA's authorization. The letter was addressed to Senator ANDERSON, chairman of the Senate Space Committee, from Brockway McMillan, Under Secretary of the Air Force. Mr. McMillan commented on the military items in the NASA fiscal year 1964 budget. I will not take the time to read the whole letter, but simply quote from it. In it Mr. McMillan stated:

In our search for military benefits which the Defense Department might derive from the NASA program, we have found there are many technical areas wherein advances by either agency will benefit both. It is particularly clear that the broad underlying base of technology being produced by the NASA will substantially benefit military space programs.

Finally, Mr. President, I would like to quote from testimony by Mr. Gilpatric, Deputy Secretary of Defense, before the Senate Space Committee, in connection with NASA's fiscal year 1964 authorization. Mr. Gilpatric's testimony can be found complete in part 1 of these hearings beginning on page 604. I will not read the entire statement, but will only make mention of a part of his statement in which he said:

First, the United States has a single national space program. The Defense Department and the NASA are each responsible for major portions of that program. It is a primary policy objective of both of us that our efforts in the Defense Department and those of the NASA shall be conceived, planned, and executed to insure that the totality of our space efforts adds up to a single program in the national interest * * *. Space, like other mediums, affords useful and often unique ways for achieving defense objectives. Some of these are by no means uniquely military—improved ways to communicate or keep track of the weather worldwide are simply examples. Other applications may turn out to be more distinctly and uniquely useful and necessary from a strictly military point of view * * *. Space systems and devices are not simply military or nonmilitary merely because they are developed by one agency or another, since that factor does not uniquely determine their future application. Moreover, our national successes and failures in space may have significance outside the purely military domain, since they support national endeavors and validate our national will and strength in the eyes of the entire world.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SYMINGTON. I ask for 5 more minutes.

Mr. MAGNUSON. I yield 5 additional minutes to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I have taken the time of the Senate to quote statements made by some of our best military and civilian Defense Department officials because I feel it is important to show that our civilian space program has much application to our national security. I would not like the idea left that there will be no military benefits derived from our civilian space program. The fact that there is no direct benefit in the form of a military weapons operations system is not important at this time. I would only add in closing that I doubt if in 1907 when the Wright brothers first succeeded in lifting their fragile craft off of the ground, there were very many people who stood up and said that this feat was of tremendous military significance. However, history has shown us that less than a decade later airplanes were playing a very important part in the prosecution of World War I.

Mr. President, I do not believe anyone at this time can possibly foresee the utilization that will be made of space. I have personally supported the U.S. position that space shall be utilized for peaceful purposes, but for myself I wish to see our program go forward so that in the future, should it ever become necessary, the United States will be in a position of preeminence in space and able to defend itself or take the offensive in this medium as well as on the land, on the sea, and in the air.

In that connection, I mentioned yesterday remarks of the Chief of Staff of the Air Force, Gen. Thomas White, before he retired from the Air Force. Going back to the days when this Agency was created, there was a great deal of apprehension about the arbitrary demarcation between the civilian and military interest in space. If it had not been for the able late senior Senator from New Hampshire, Senator Bridges, I think it fair to say the military would have had little or no position in space.

When the bill was considered—and the legislative history and the hearings held at that time will so verify—it was realized that the military should have a vital interest in the space program; and as one has watched the rapid developments in recent years in what might be called the art of defense—I hope my colleagues will realize that this art has changed more in the past 15 years than it did in the previous thousand.

The former President of the United States, and a former great military leader, Dwight D. Eisenhower, recently said he thought we should heavily reduce the number of ground forces we have in Europe at this time. I have felt that way for sometime, for many different reasons. If all this is a question of expense, I would prefer to see this country save money—especially as in this case it would help us with our serious problem of unfavorable balance of payments—by taking some of our divisions out of Europe, rather than compromising in the newest of all arts, space, in which medium some day we might be forced to defend our country.

For these reasons, I shall vote against this reduction, and hope the Senate will also take into consideration the fact the amount recommended in the bill has already been reduced between some $600 million from what the administration originally requested.

Mr. FULBRIGHT obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Arkansas yield, without his losing his right to the floor, so that I may suggest the absence of a quorum?

Mr. FULBRIGHT. I yield.

The PRESIDING OFFICER. On whose time is the roll to be called?

Mr. MANSFIELD. I ask unanimous consent that the time consumed in the quorum call be not charged to either side.

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

The clerk will call the roll.

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

[No. 243 Leg.]

Aiken	Fulbright	Moss
Allott	Gore	Mundt
Anderson	Gruening	Muskie
Bartlett	Hart	Neuberger
Bayh	Hayden	Pastore
Beall	Hickenlooper	Pearson
Bennett	Hill	Pell
Bible	Holland	Prouty
Boggs	Humphrey	Proxmire
Brewster	Inouye	Randolph
Burdick	Jackson	Ribicoff
Byrd, Va.	Javits	Robertson
Byrd, W. Va.	Johnston	Russell
Cannon	Jordan, N.C.	Saltonstall
Carlson	Jordan, Idaho	Scott
Case	Keating	Smathers
Church	Kuchel	Smith
Clark	Magnuson	Sparkman
Cooper	Mansfield	Stennis
Cotton	McCarthy	Symington
Curtis	McClellan	Talmadge
Dirksen	McGee	Thurmond
Dominick	McGovern	Tower
Douglas	McIntyre	Walters
Eastland	McNamara	Williams, N.J.
Edmondson	Mechem	Williams, Del.
Ellender	Metcalf	Yarborough
Ervin	Monroney	Young, N. Dak.
Fong	Morse	Young, Ohio

The PRESIDING OFFICER (Mr. WALTERS in the chair). A quorum is present.

Mr. FULBRIGHT. Mr. President, much of the debate yesterday involved a numbers game, the outcome of which depended upon whose figures one believed, and at what time they were made. A debate along these lines really misses the point. The question of whether $2 billion or $50 billion is required to put a man on the moon is not the question. The point is whether we want to pursue any kind of space program on a crash basis.

The question is not whether we would or we would not have a space program. It is purely a question of whether we shall proceed on a "crash" basis. Are the benefits that we hope to derive from space exploration so important that they deserve priority consideration over so many pressing needs in the domestic sector of the economy?

Two principal arguments were advanced yesterday and I wish to address myself briefly to them. It was argued that the program to land a man on the moon costs only $2 billion of the official estimate of $20 billion for manned space exploration this decade. The rest of the $20 billion, it was said, would yield military or defense benefits and that the program should be judged in that light. I cannot accept this thesis. Statements by our military and space officials that I quoted in my speech yesterday clearly indicate that the thrust of the space program is not military. It would, in fact, be a monstrous deception of both the Congress and the public if it were. The declaration of policy and purpose of the 1958 act that authorized establishment of NASA clearly states that the agency was established to make a peaceful exploration of space.

I believe it would be worth while to quote the first section of the act:

(b) The Congress declares that the general welfare and security of the United States require that adequate provision be made for aeronautical and space activities. The Congress further declares that such activities shall be the responsibility of, and shall be directed by, a civilian agency exercising control over aeronautical and space activities sponsored by the United States, except that activities pecular to or primarily associated with the development of weapons systems, military operations, or the defense of the United States (including the research and development necessary to make effective provision for the defense of the United States) shall be the responsibility of and shall be directed by, the Department of Defense; and that determination as to which such agency has responsibility for and direction of any such activity shall be made by the President in conformity with section 201(e).

The act itself clearly states that that is not the purpose of the program. The argument was not advanced by the proponents of the present bill until recently. Six or eight months ago the primary emphasis on the bill was that we must "get there before the Russians" for prestige purposes. It was not even alleged that it was primarily for military purposes. The NASA Act states:

The Congress hereby declares that it is the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of all mankind.

It further provides that NASA shall have responsibility for space activities except "activities pecular to or primarily associated with the development of weapons systems, military operations, or the defense of the United States—including the research and development necessary to make effective provision for the defense of the United States—shall be the responsibility of, and shall be directed by, the Department of Defense."

So I think if we now come forward, as some of the proponents do, and say that the main justification is military, the statement is in direct violation of the stated purpose and is an afterthought, even within the year, in regard to the bill itself.

Mr. President, I believe it would be proper to put into the RECORD for the information of the Senate a section of the report to the Congress from the President of the United States for 1962 on the Department of Defense. The statement begins on page 33. I shall not read it. It is too long.

I ask unanimous consent that the section of the report to which I have referred be printed at this point in the RECORD.

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

CHAPTER IV. DEPARTMENT OF DEFENSE

Introduction

As their contribution to the national space program, the Department of Defense, during 1962, expanded the research and development effort designed to keep the peace. These efforts are based on the belief that the capability to discourage or deter an attack via space is essential to keep the peace on this new frontier of man's endeavor.

DOD space projects fall into two principal categories: First, those projects directed at clear, identifiable military needs and requirements. Examples include the development of communications, navigation, and ballistic missile early warning satellite systems. The second class of projects is designed to investigate promising military space capabilities which will create a broad flexible technological base and to develop devices and subsystems which can be readily adapted for the design and engineering of major systems as future military space requirements and needs are identified: A prime example of a major project in this latter category is the Titan III standardized launch vehicle which was approved for development in August 1962.

Titan III will be capable of performing a wide variety of space missions involving a broad span of payload weights. It is expected to serve as a general purpose launch vehicle for more than a decade, performing a role in space operations for the DOD and NASA, as appropriate. Thus, it represents a major technological building block upon which the structure of the future military space capability will be built as part of the national launch vehicle program.

Space efforts of the Department of Defense are fully coordinated with the activities of NASA and other Government agencies in order to assure that planning for potential military applications of the future properly considers and applies all appropriate aspects of research and development in space with special emphasis on minimizing duplication. Military space efforts are properly integrated as an essential element of a consolidated national space program in which many Government agencies are participants.

Cooperation and accord at the management and operating levels in DOD and NASA contribute to the complementary characteristics of the collective space efforts. For example, the military communications satellite system is being developed to satisfy the peculiar requirements of the DOD for reliability, security, resistance to countermeasures, access to remote areas, and use by mobile units. It will supplement, but not replace or duplicate, space communications systems being developed by NASA and the electronics and communications industry.

Concurrent with its efforts to advance and exploit space technology, the Department of Defense sustained its traditional interest and participation in programs devoted to the advancement of aeronautics. Continuing progress in this important area was made during the past year.

Selected portions of the DOD program in the areas of space technology and aeronautics are highlighted in the following sections:

SPACE DEVELOPMENT ACTIVITIES

Standardized space boosters

During the year substantial progress has been made in developing standard configurations of our first generation of space boosters. These include the Atlas and Thor boosters and the Agena upper stage vehicle. Objectives of the standardization program are: increased reliability, increased producibility, increased flexibility in assignment of vehicles from one program to another and decreased overall space program costs.

The Thor space booster was standardized on a step by step basis during actual use. Initial standard Thor vehicles were delivered in mid-1962. The Agena standardization was undertaken as a program on an accelerated schedule. Initial vehicles were delivered in April 1962 and flown in June and July 1962. The Standard Atlas program is being pursued in a similar manner to the Agena program. Initial vehicles were delivered late in calendar year 1962.

Titan III

The Titan III is a standardized space launch system which will be developed and utilized as part of the national launch vehicle program as outlined in the joint agreement between the Secretary of Defense and the Administrator of NASA. This launch vehicle, to be developed by the Air Force, will meet Department of Defense and NASA future needs to place 5,000 to 25,000 pounds of payload in low earth orbits. The Titan III takes full advantage of the Department of Defense's investment in the two stages of the Titan II ICBM, with minimum modifications, along with large solid motors and a new upper stage as the essential building blocks.

The Titan III system was the first large program to utilize new DOD procurement procedures. Before program approval was given, a program definition phase (phase I) was established and funds were released in December 1961 to determine costs, vehicle performance, and appropriate model configuration, as well as to select the prime contractor and establish the overall DOD management organization. The phase I program definition effort was completed in the second quarter of calendar year 1962 and the objectives of the phase I efforts have been verified by the Air Force and the Department of Defense.

The basic program for Titan III is believed better defined than any large scale development undertaken in many years. Unique new management arrangements have been established for the conduct of this program. One important aspect is that approximately 75 percent of fiscal year 1963 contract funds for research and development are being disbursed under incentive type contract arrangements. These contracts were fully defined before the program schedule was given a "go-ahead."

Transit

The Transit satellite navigation system developmental program is progressing as planned, and should be available for worldwide fleet operational deployment in the second quarter of calendar year 1963. During 1962, principal research efforts were concentrated on increased system reliability and accuracy, the refinement of refraction and geodetic data, satellite power and stabilization technology, and prototype development of shipboard navigation equipment.

The launch of Transit IVB on November 15, 1961 marked the last planned launch of a Transit satellite from the Atlantic Missile Range. All future launches—except for four Thor Able-Star launches—are programed for Scout vehicles to be launched from the Pacific Missile Range. A Transit VA satellite was launched December 19, 1962.

When operational, the Transit system will provide reliable, worldwide, all-weather navigation for important units of the Navy.

Communications satellite program

In May 1962, the Secretary of Defense reoriented the Department of Defense communications satellite program. In this reorientation, he directed the Defense Communications Agency to provide overall management and integrate the ground and space systems into the Defense Communications System. The Secretary directed the Air Force to develop two communications satellites—one a medium altitude system using many satellites, and one a synchronous altitude system using relatively few satellites. The Secretary directed the Army to develop the ground communications environment.

The Department of Defense has also continued its participation in NASA's Syncom program. Two fixed DOD ground stations neared completion at Fort Dix, N.J., and Camp Roberts, Calif., the installation of a terminal aboard the NS *Kingsport* was accomplished, and mobile stations were developed. Communications experiments utilizing the Syncom satellite will be conducted during 1963.

To provide experience for personnel who are participating in the NASA and DOD communications satellite programs and in order to evaluate past efforts of developing mobile terminals, a program was initiated utilizing ground stations developed for the commercial Telstar system.

The Navy, the Air Force, and the Army have communications programs aimed at utilizing the moon, and other passive and semiactive reflectors. Additionally, the Navy is considering the use of a satellite relay to communicate with submerged submarines.

X–20 development

The X–20 project formerly Dyna-Soar is aimed at the development of a small piloted glider to be boosted into space flight by a Titan III booster from the Cape Canaveral missile test site.

The X–20 program is financed and administered by the Air Force and supported by the NASA. The purpose of the program is to construct and test a manned military space research vehicle which will explore the problems and conditions of hypersonic flight beyond the range of the X–15 research aircraft by achieving orbital velocity. The program will demonstrate the capabilities of pilot controlled reentry and recovery from orbit. The pilot of the X–20 glider will have the ability to control his return to earth by extending his flight path by several thousand miles straight ahead or to either side followed by conventional landing. This will enable the pilot to select the time when he will initiate reentry and to control the point where he will land.

During 1962, the X–20 designs were finalized in conjunction with the selection of the Titan III as the launch vehicle. Development on the glider subsystem has proceeded to a point where fabrication of the first gliders is expected to begin this year.

Inspector

Work is continuing on the satellite inspector program to demonstrate rendezvous and inspection of a noncooperative object in space by orbiting with it. Program assessment resulted in the termination of a prototype coorbital demonstration system and initiation of an inspection system definition study. Efforts continued in close coordination with the NASA Gemini program. A joint DOD–NASA study of both programs was accomplished and areas of mutual development effort identified.

ICBM alarm

The objective of this program is the research and development of a space-based attack alarm system intended to maintain continuous surveillance over ballistic missile launches on a global basis. Such a system would consist of unmanned satellites carrying infrared sensors which can detect ballistic missiles in powered flight as they emerge from the atmosphere.

During 1962, several technical advances were made in furthering this development. Infrared measurements from ground-based, airborne, and orbital tests yielded new scientific data on target and background discrimination techniques.

Anna

The Anna geodetic satellite program is a triservice project under Navy management with NASA cooperation. The satellite combines three separate systems developed independently by the military services. The Navy system employs the principle of radio doppler, essentially that used in the Transit navigation satellite. The Army system employs a radio ranging transponder called Secor; that is, "sequential collation of range." The Air Force system employs a high intensity flashing light or optical beacon.

Purpose of Anna is to provide locations of tracking stations to an accuracy of 100 feet relative to the center of the earth, and to define the earth's mean attraction potential to an accuracy of 5 parts in 10 million. These accuracies are required to provide a framework for subsequent mapping, navigation, reconnaissance, and other applications requiring this precision.

Anna IA was launched on May 10, 1962, but did not achieve orbit due to the failure of the booster second stage.

Anna IB was launched on October 31, 1962, and is presently furnishing geodetic data.

Large solid propellant motor program

In accordance with the agreement between the Secretary of Defense and the Administrator of NASA, the Department of Defense is conducting advanced state-of-the-art technical development in the field of very large solid rocket engines with the dual objectives of advancing knowledge and the development of such engines.

Large solid motors with diameters up to 120 inches are already under development. A 100-inch-diameter three-segment motor was successfully fired in February 1962. A 120-inch-diameter motor, 40 feet in length, was fired in May 1962 producing 400,000 pounds' thrust for a burning time of 130 seconds. On September 15, 1962, a 96-inch tapered-diameter two-center-segment motor incorporating a dual thrust vector control system, hypergolic ignition, and a radial-segment motor was successfully fired. This development work has provided design data on grain configuration, burn rates, and internal pressures.

The development of large solid propellant motors with diameters of 156 inches and 260 inches is being investigated. The 156-inch motor is the largest segmented solid propellant motor capable of rail transportation from current production facilities to coastal launching sites. The 260-inch motor may demonstrate the feasibility of very large monolithic motors and provide technical foundations for further developments. Development of this large motor will also provide pertinent background data in procedures and processes for fabrication, propellant production and handling, testing, and facility requirements.

Nuclear detection satellite

A joint DOD/AEC program of satellite-based detection of nuclear tests in space is being conducted. Its objective is to confirm experimentally detector sensitivity, reliability, and system performance capability in the space environment by conducting experiments to obtain data on the background effects of the natural radiation environment in space. Of particular interest are possible natural radiations in space which might be similar to those expected from a nuclear detonation in space. The program consists of cooperative flights with other space programs and high altitude flights of spacecraft designed specifically for the program.

AERONAUTICS DEVELOPMENT ACTIVITIES

Laminar flow control demonstration aircraft

The laminar flow control aircraft program is intended to demonstrate that the design and manufacture of a wing capable of achieving laminar flow by means of suction through a large number of very fine slots in the surface is practical. It is intended to determine quantitatively through a full scale flight demonstration the magnitude of drag reduction possible and to assess the maintenance requirements in an operation environment.

The achievement of greatly reduced aerodynamic drag through laminar flow control would result in increased payload or range for aircraft designed to incorporate this feature. The FAA has assisted in financing the program which is also of interest to nonmilitary activities. Two demonstration aircraft are designed X-21A's.

X-15 research aircraft

The X-15 aircraft were built to provide exploratory data on aerodynamic, structural and physiological problems of manned flight at hypersonic speeds and space equivalent altitudes.

The range of performance has gradually been expanded as speed and altitude have been increased. Maximum altitude reached so far is 314,750 feet and the maximum speed has been 4,151 miles per hour. Concurrently with this effort additional flights have been devoted to aerodynamic research, heat transfer investigation, development of flight controls, and reentry techniques.

The X-15's will continue gradually to expand the flight envelope where data from earlier flights indicate that an ample margin of safety exists. In addition to the above objectives, the X-15's may be used as test bed aircraft for a group of advanced experiments in aeronautical and space sciences. Some of the primary projects in the program are ultraviolet stellar photography, improvement of attitude and guidance references for orbiting spacecraft by means of a horizon scanner, high altitude density measurements using an alphatron ionization gauge, collection of infrared and ultraviolet data at extreme altitude, advanced vehicle systems and structural materials.

Triservice VTOL development program

In July 1960, the Assistant Secretaries of the Air Force, Army, and Navy (Research and Development) agreed that it was desirable to conduct a triservice program to determine the operational suitability of vertical takeoff and landing (VTOL) aircraft. The three services had conducted research on the technical feasibility of the various configurations of VTOL aircraft, but the military usefulness had not been determined. Since such a project would have joint interest, a triservice program to cover approximately a 5-year period was established in fiscal year 1961.

In January 1962, it was agreed that the triservice VTOL program should be equally funded by the three services and consist of the following tasks:

(a) A VTOL tilt-wing transport aircraft, designated the XC-142A, with executive management assigned to the Air Force.

(b) A VTOL tandem tilt-propeller aircraft, designated the X-19A with executive management assigned to the Air Force.

(c) A VTOL tandem rotating ducted fan research airplane, now designated X-22A, with executive management assigned to the Navy.

V/STOL surveillance aircraft program

In 1961, the Army initiated the development of V/STOL (vertical/short takeoff and landing) research aircraft applicable to the battlefield surveillance and target acquisition roles. This program will provide technical and limited operational information that will further define the characteristics of the replacement for the present OV-1A (Mohawk) series.

Three design approaches will be evaluated during fiscal year 1963 and fiscal year 1964, which are identified as follows:

(a) XV-4A (Hummingbird).

(b) XV-5A (fan in wing).

(c) XV-6A (P-1127).

SPACE GROUND SUPPORT

Space detection and tracking system (Spadats)

The Norad Space Detection and Tracking Center at Ent Air Force Base, Colo., are operated for the space detection and tracking system (Spadats) by the U.S. Air Force Air Defense Command (ADC). The U.S. Navy operates the Spasur system, an interferometer fence extending from the east coast to the west coast, as an element of the Spadats. A full backup capability to the Spadats center exists at L. G. Hanscomb Air Force Base, Bedford, Mass., and an ADC detachment is on duty to operate the center in the standby mode.

Significant progress has been made in 1962 on improvement of the capability of the Spadats.

Procurement of a high resolution radar sensor in Alaska has been initiated.

Construction has started on a Spadats phased array radar at Eglin Air Force Base, which will have considerably improved capability for satellite detection and tracking over existing sensors. When completed, the radar will be able to detect simultaneously and track large numbers of orbital objects in real time. The capability will exist for on-site determination of orbital parameters.

Work was completed on a fully automatic, digitalized computation and data analysis system for Spasur. This system underwent improvements in 1962 and reached full operational status as an element of Spadats on January 1, 1963. The automatic system is capable of full evaluation of any satellite contact within 5 seconds after passage through the fence.

DOD national ranges

The national ranges, which are operated by the DOD, consist of the Atlantic Missile Range (AMR), the Pacific Missile Range (PMR), and the White Sands Missile Range (WSMR). The planned growth of the ranges to support the expanding space efforts is progressing on schedule.

DOD support to the manned Mercury launches and recoveries during the past year has been extensive and has been a major contribution to the success of those space program milestones. In addition to the launch facilities of the AMR, tracking and data coverage was provided by the AMR, PMR, WSMR, and other DOD installations. DOD recovery forces have successfully recovered astronauts from both the Atlantic and Pacific Ocean areas. Seventeen thousand DOD personnel were engaged in support of the October 1962 six-orbit Mercury shot.

Continued improvements were made in the land and shipborne capabilities of the national ranges, for tracking, telemetry, data transmission, and data reduction.

At the AMR, the Air Force is proceeding with plans for a Titan III installation. A Titan II weapon system launch complex will be converted to accommodate the initial phase of Titan III development, and a new integrate-transfer-launch (ITL) facility will be constructed. The ITL facility will permit assembly and checkout of the Titan III in the vertical position and transfer by means of rails to the launch position after checkout while remaining in the vertical position. Plans are also proceeding at the AMR for the conversion of existing launch facilities for the Gemini and Gemini target, nuclear detection satellite, and satellite inspection programs.

At the PMR a new probe launch complex and Scout launch complex were completed and other launch pads are under construction. These will accommodate both DOD and NASA activities for both probe and orbital vehicle launches.

WSMR will be the sites of the Apollo abort system (Little Joe II) tests and a NASA-operated Apollo propulsion development facility.

Churchill research range

In October 1961, the Department of Defense assigned the responsibility for operating the Rocket Research Facility at Fort Churchill, Canada, to the U.S. Air Force, effective July 1, 1962. The range extends approximately 400 miles eastward over the Hudson Bay and southward along the coast for about 100 miles. The range is used by scientists from U.S. Air Force, U.S. Navy, NASA, Canadian Defense Research Board, and the National Research Council. Intergovernmental coordination of activities of the range are carried out through the Operational Coordinating Group, an official, joint United States-Canada working group concerned with the range operation.

SUPPORTING RESEARCH AND TECHNOLOGY

Vehicle flight control

The vehicle flight control program is intended to develop an integrated flight control capability for manned and unmanned aerospace vehicles. The program includes display, data sensors, computers, and adaptive controls. The X-15 research aircraft is being used as a test bed. The adaptive control portion of this program has been installed and has completed the acceptance flight test program.

Aerospaceplane

The Air Force is investigating advanced developments to determine the feasibility of the aerospaceplane concept. The concept embodies a manned maneuverable and reusable vehicle capable of placing large payloads in orbit. Feasibility studies have been initiated in propulsion and structure.

Other aeronautical research

Programs have continued to increase the aerodynamic and flying quality performance of current type subsonic and supersonic aircraft. Applied research is being conducted also in the aerodynamics and stability and control of V/STOL vehicles.

Crew escape for flight vehicles

Until 1956, the applied research program in crew escape was focused on the ejection seat method of emergency escape. Shortly thereafter, it became apparent that the open ejection seat was not adequate for future high performance vehicles. Programs were initiated to investigate (a) the encapsulated seat, (b) ejectable nose section capsule, and (c) reentry type of escape systems.

During 1962, advances were made in increasing the temperature capabilities of propellant actuated devises from 200°F to 400°F. Design criteria for two pure rocket escape systems ejection devices were obtained and experimental firings successfully conducted. Work was begun in 1962 toward the establishment of nonseparable escape concepts where a large crew and mission duration preclude separable reentry escape systems. Also, in 1962, full-scale models of an ejectable nose emergency escape capsule are being track tested at Edwards Air Force Base. Seven track tests were scheduled for 1962 including a 900-knot run.

Electrical propulsion

The Department of Defense has continued research and development of several forms of electrical propulsion. These efforts have been closely integrated with the NASA efforts. The DOD has particular interest in application of electrical propulsion for attitude control, stationkeeping, orbit adjustment and other situations where the characteristics of high specific impulse and low thrust are useful. A ballistic space test of an ion engine was carried out in the latter part of 1962 but a power failure prevented useful results. A small plasma engine was developed to maintain the spin rate of a satellite. Other electric propulsion engines will be tested in conjunction with orbital tests of Snap units.

Advanced air-breathing propulsion

A 3-year effort has been completed on increasing the performance parameters for all jet type propulsive devices. Two different

principles using separate approaches to reduce weight and increase performance were tested for approximately 50 hours in two test engines.

A high-work-per-stage and high-efficiency compressor were used in both concepts. Two different engineering approaches were used to decrease the combustor size by 50 percent and both engines used a single high-work-per-stage turbine to drive the compressor. This enabled the construction of a very short engine with only two bearings instead of the usual four to six. The design goal was 10 pounds of thrust for each pound of engine weight compared with the normal practice wich gives 5 to 6 pounds of thrust for each pound of engine weight.

The features proven by these experimental tests when used in a design for a jet engine will permit lighter engines with higher efficiencies.

Space power equipment

The Department of Defense continued to examine various concepts for meeting the anticipated high electrical power requirements of future satellites. For possible requirements of more than several hundred watts careful consideration has been given to both nuclear and solar powered generators. In 1962, significant management action was accomplished to insure vigorous development of a nuclear power unit to generate several hundred kilowatts of electrical power.

Spur was initiated in 1960. The study, design, and test effort has thus far evolved a power system concept which uses a liquid metal cooled fast reactor supplying thermal energy by means of a potassium Rankine cycle conversion loop to turbine driven electric generator. The tests conducted included material compatibility tests, both static and dynamic, fuel element property evaluations, compatibility tests of the fuel element materials and cladding, creep-rupture tests of the turbine and pump materials, potassium-lubricated-bearing tests, and boiling and condensing potassium heat transfer tests.

The Department of Defense by letter dated October 2, 1961, requested the Atomic Energy Commission to expand its efforts in experimental space power reactors toward the Spur design criteria. In the ensuing months, the AEC initiated the Snap-50 reactor development in the power range needed by Spur. Meetings between the Chairman, AEC, the Administrator of NASA, and the Secretary of the Air Force resulted in a memorandum of understanding between DOD, AEC, and NASA on the management by AEC of an integrated Snap-50/Spur program.

Progress was made during the year in the Snapshot program which is a companion to the AEC Snap program. Snapshot will provide vehicles and services for orbital proof tests of Snap 10A and Snap 2. The first orbital flights of this program are scheduled for 1964 and will use the Atlas/Agena launch vehicle to place Snap 10A in orbit.

Hi-definition radar

A program has been initiated to demonstrate a technological capability to build high resolution, long range, space tracking radar.

The program is intended to provide the technology necessary for greatly improved detection, identification and tracking of orbital or ballistic objects.

Infrared

Infrared detectors have been developed which have many applications in satellite and space systems. Satellite systems require IR detectors for horizon scanners used in vehicle stabilization, in star trackers used for navigation, for IR space communications, for detection and tracking systems used for satellite rendezvous, and various other applications. Presently available long wave length detectors, with response in the S-14 micron region (necessary for cold body detection) require cooling to liquid nitrogen, neon, hydrogen, and even helium temperatures (-268.9°C). Special minature cryostats, requiring low power input, but reliably providing these temperatures continuously for long periods of time, are being developed. Long wave length detectors requiring less cooling, or no cooling at all, must also be developed for greater reliability and lower electrical power requirements.

Ultraviolet

The ultraviolet region of the spectrum is also being explored primarily from the point of view of utilizing this region for image formation outside the earth's atmosphere where ultraviolet energy is not attenuated. Ultraviolet background measurements have been made in cooperation with NASA.

Extensive work in the field of optics in recent months has provided many advancements of considerable importance to peaceful exploitation of the aerospace environment. Optical sensors have long been recognized as providing a means toward achieving high resolution and high angular accuracy, but to achieve this potential high performance, large diameter optical elements and mirrors are required. Recent experiments have resulted in new lightweight mirrors of large diameter capable of maintaining a precise optical shape.

Lasers

The explosive field of Laser (light amplification by stimulated emission of radiation) research is also resulting in techniques that will make this device a valuable tool, in connection with optical sensors, for many operations in aerospace vehicles. It will provide extremely sensitive and high resolution devices, for example, guidance and exploration.

In this area of research, there has been extensive coordination even on an international basis. The recent NATO-SADTC Symposium on Technical and Military Applications of Laser Techniques was held in France, summer of 1962.

Data handling

The many problems associated with handling pictorial data or the output of imaging sensors is also under study. Phototape is one result of these efforts. It is essentially like the sensitive element of a TV picture tube except that it is flexible and can be rolled up and the information stored for later readout. It is relatively insensitive to nuclear radiation, reusable and combines some of the best features of TV and photography. It is being considered for use in the Nimbus type meteorological satellites. The effect of radiation, which exists more intensely in space, on photography and image forming systems is being evaluated. The effect of the earth's atmosphere on image forming sensors is also under extensive study. Atmosphere affects performance of sensors in three ways. The natural turbulence places a limit on resolution under some conditions of operation, induced turbulence due to passage of a vehicle through the atmosphere places other limitations, and, finally, depending upon vehicle skin temperature and meteorological conditions, the atmosphere reduces the ability of an image forming sensor to provide proper contrast discrimination. These problems and techniques for solving them, carry high priority, and success in this field has many peaceful applications.

Environmental research rocket and satellite support

The environmental research rocket and satellite support program provides rocket boosters, spacecraft equipments, and associated services, to place research experiments in the space environment for scientific purposes. The purpose of the program is to consolidate all booster services and flight hardware procurement for space environmental research under a single manager in order to obtain the economies gained by central purchase of rocket vehicle and allied equipments in standardized configuration, central assignment and full utilization of payload space, and provision of standard ground support. The types of rocket vehicles used by this program cover a wide range.

The program also utilized pods which are attached to the exterior of Atlas and Titan II developmental and test vehicles in a piggyback fashion. In this way, surplus weight-lifting capacity of test ICBM's is used for valuable scientific research as an adjunct to their primary mission, without the normally associated high booster costs. During 1962, 49 environmental research experiments were carried in scientific passenger pods on Atlas boosters. The experiments covered research in the life sciences, electromagnetic propagation, aeronomy, ionospheric physics, energetic particles and fields, energy conversion, and reentry physics.

Eight NASA-Air Force Scout orbital vehicles, and seven Blue Scout, Jr., deep-space probes were purchased in 1962 with delivery, and subsequent launch scheduled to begin in early 1963. These vehicles will be used for research in radar detection and resolution, energy conversion, geospace magnetohydrodynamics, energetic particles and fields, and life sciences.

During 1962, approximately 50 research sounding rockets were launched and the data obtained were furnished to other interested organizations. Most of these were fired from the White Sands Missile Range and the Eglin Gulf Test Range. Employed in this program were a wide variety of vehicles which had the capability to carry geophysical sensors weighing from 10 to 200 pounds to altitudes over 1,000 miles. Several series of rocket launchings have been made for repeated experiments for determination of variations in upper atmospheric kinetic, composition, and chemical properties.

The highest reentry speed ever obtained for a manmade object, 14 kilometers per second, was achieved last May. The reentry body was a steel ball of about three-fourths inch diameter which was propelled downward from a height of about 200 miles. The ball became an artificial meteor, creating a bright trail visible in Virginia and North Carolina. A six-stage solid-fueled rocket, Trailblazer 2, was used in the experiment. The last four stages were used to propel the artificial meteor downward. The rocket was launched from Wallops Island.

Space technology satellites

The Air Force continued its launch of space technology satellites at an increasing rate during 1962. The program consists of testing components, propulsion, guidance systems, and techniques used in various U.S. space projects. Space capsule recovery is foremost among techniques being developed.

A standardized second stage and satellite vehicle was tested and all missions utilizing it were fully successful. The vehicle will be used for many of the Air Force, Navy, and NASA programs in the future. The payload capacity of space technology space vehicles has provided a most fruitful opportunity for scientific measurements. Instrument modules for experiments are carried as part of the payloads.

During 1962, 13 of these research payload modules have been carried into orbit aboard space vehicles and research data have been made available to interested agencies. Each of these modules usually contains a number of experiments. About 65 experiments have been placed in orbit this past year. The instruments flown on these satellites were designed to measure density, micrometeorites, cosmic radiation, electron and ion densities, magnetic fields, and galactic radio noise.

Examples of experiments which were performed during 1962 are:

(a) A plasma probe was flown five times to obtain data regarding the electrical structure of the F region of the ionosphere. Density and temperature of both the positive and negative particles of the ionosphere were measured.

(b) A standing wave impedance probe was flown six times which consists of a 24-foot balance dipole antenna which was unrolled in orbit. Observations are interpreted in terms of electron density at satellite altitude.

(c) Nuclear emulsions have been flown and recovered from 12 flights. These emulsions are studied to determine the flow of energetic particles trapped in the geomagnetic field and also to learn more about incident cosmic rays.

(d) Many active experiments have flown to measure properties of the Van Allen radiation belt. These measurements were especially important during 1962 due to the enhancement of the belts caused by the United States and Soviet high-altitude nuclear tests.

Asset

The Air Force aerothermodynamics elastic structural systems environmental test (ASSET) program was initiated to provide an economical and feasible means to supplement and verify the validity of ground facility data by obtaining basic knowledge of the actual free flight environment in the critical heating regime surrounding hypersonic reentry vehicles with lifting surfaces. Four test vehicles will be boosted into a reentry trajectory by the Thor/Delta and Thor boosters. These unmanned vehicles are designed to test full-scale components of various structural concepts and materials. The first launch is scheduled for mid-1963.

General support, research, and development

Our efforts in space are undertaken not only to meet certain well-defined military needs and requirements, but also to create a vigorous and broad base of new technology which will allow us to undertake development of future systems to fulfill a clear, identifiable military need or requirement. The DOD is supporting exploratory and advanced developments aimed specifically at the evolution of "technological building blocks" for space. These developments (some of which have been covered in the foregoing) include a great variety of efforts in bioastronautics, the development of advanced sensors, the evolution of advanced propulsion systems and power supplies, developments in materials, and a multitude of exploration and research efforts aimed at learning more about space flight and the space environment.

COOPERATION WITH OTHER GOVERNMENT AGENCIES

Close coordination and cooperation with other Government agencies was continued and enhanced during 1962. Examples of this have been cited already in some of the projects discussed above such as standardized space boosters, large solid propellant motor program, X-20, X-15, space nuclear detection and Anna.

Additional examples have been mentioned in the description of activities at the national ranges. In addition to the above, the following are considered worthy of special mention:

Participation with the NASA in the Aeronautics and Astronautics Coordinating Board for the purpose of coordinating the activities of the DOD and NASA to avoid undesirable duplication, to achieve efficient utilization of available resources, to identify problems requiring solution, and to exchange information.

Participation in the Joint Meteorological Satellite Advisory Committee.

Participation with the AEC in the development and use of space nuclear power units.

To insure effective and coordinated management of DOD support to programs of NASA, the DOD issued a directive on February 24, 1962. This directive specifies that basic agreements for support will be made between Secretary of Defense and the Administrator, NASA. It defines the responsibilities within the DOD for the support of NASA including assignment of responsibility to the Secretary of the Air Force for research and development, test and engineering of satellites, boosters, space probes, and associated systems necessary to support NASA.

The Air Force created the Office of a Deputy to Commander, Air Force Systems Command, for Manned Space Flight as follow-on to the DOD assignment of Space R.D.T. & E. to the Air Force. This Deputy maintains an office in NASA headquarters in order to help assure the closest management level interplay between the two agencies responsible for the national space program.

A memorandum of agreement between the Air Force and the Federal Aviation Agency was signed into effect on September 4. It relates to research, development, test, and evaluation (R.D.T. & E.) required to meet the needs for safe and efficient navigation and traffic control of all civil and military aviation. The purposes of this agreement are to:

(a) Insure timely response and full consideration of U.S. Air Force requirements in FAA programs.

(b) Provide the mechanism whereby U.S. Air Force and FAA will coordinate and cooperate in R.D.T. & E. projects of mutual interest.

(c) Enable each agency to observe and participate in R.D.T. & E. programs to the extent necessary to discharge their respective agency responsibilities and effect overall Government economies.

Closer relationships have also been established with the National Aeronautics and Space Council and specific contact points for particular areas of interest have been established.

Mr. FULBRIGHT. That language very clearly describes what the responsibilities of the Department of Defense are in that area. Again I remind Senators that there is an appropriation of $1.7 billion for the Department of Defense for exploration in space, aside from the appropriation now under discussion. So to make the plea that the proposal would affect the military aspect is absolutely wrong. It is not so. It would be quite incidental and wholly marginal.

Although I do not desire to repeat the entire colloquy, the Chairman of the Joint Chiefs of Staff, in a direct answer to the direct question as to what effect the lunar program would have on defense, said that he did not think that it would have any. I quoted that statement yesterday. It occurred at a hearing of the Committee on Foreign Relations, and is contained in an official report.

Statements by the President have consistently emphasized that peaceful exploration was the objective of the NASA program. In a letter to Congressman ALBERT THOMAS, dated September 23, the President wrote:

> We do not make our space effort with the narrow purpose of national aggrandizement. We make it so the United States may have a leading and honorable role in mankind's peaceful conquest of space.

Space activities in general were taken away from the Defense Department and placed in the hands of a civilian agency in 1958 in order to change the complexion of our program from one keyed to military uses to one which would increase man's fund of knowledge of the heavens for peaceful applications.

As I have said, the military has its own space program, being funded at a level of some $1.7 billion this year. There is little doubt that the military will proceed on its own to develop the type of space knowledge most adaptable for its own purposes. Indeed this is required under the division of authority in the NASA Act. Dr. Dryden, in his testimony before the House Appropriations Committee stated:

> I think the problem is one of defining a weapons system based on man in space. Just as soon as the military can define such a weapons system, then I think they must go ahead with the development of the specific equipment needed for that.

There will undoubtedly be some spin-off from the NASA program to military use. This is inevitable in a program of this magnitude and novelty. There will also, of course, be some spin-off for civilian purposes. The NASA budget, in fact, contains the grand total of $3.5 million—I think that is about one one-hundred-and-fiftieth—to see this new knowledge is made available for application in industry. Accepting the thesis advanced yesterday that $18 billion of the manned space program is for defense purposes, it seems most unusual to me that this vast sum is being expended for research when the top military people say they cannot envision an end for any knowledge that might be gained. This would, in effect, amount to another $18 billion for defense research, bringing the total for research for military purposes up to an astronomical figure. And this expenditure would all be in hope that something would turn up that would justify cost of the program in the long run.

I wish to make one other point about the military argument. Our top military leaders have always said that foreign aid is essential to the Nation's security. In spite of this fact strong support for foreign aid, Members of both the House and the Senate, who consider themselves to be friends of the military, consistently oppose the foreign aid legislation.

The PRESIDING OFFICER. The time yielded by the Senator from Arkansas has expired.

Mr. FULBRIGHT. Mr. President, I yield myself 10 additional minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 10 additional minutes.

Mr. FULBRIGHT. Mr. President, foreign aid is admittedly designed to protect and enhance the Nation's security now. Space explorations may or may not result in new military systems at some date in the future. We have no assurance that there will ever be any important military offshoot from the space program. I might also point out that, in the case of foreign aid, the President has a peculiar and individual responsibility under the Constitution. This is not true with the space program where the Congress has an equal responsibility and should have no hesitancy

in exercising its responsibility to determine the correctness of the pace or extent of our space effort.

The second major argument advanced is actually part and parcel of the first argument. It is to the effect that the manned Lunar program actually will cost only about $2 billion. When we turn to this question we become bogged down in a sea of conflicting statistics, statements, and predictions. It is difficult for me to understand how the cost of this program can change so rapidly. The letter and related material from NASA, which I inserted in the RECORD, referred to the allocations for the manned Lunar program, not to a manned space program. The attempt to separate the cost of the actual landing on the moon from the other aspects of the space program cannot be done, as the Senator from Washington admitted yesterday. We have an integrated space program, the basic objective of which is to land a man on the moon. Every other accomplishment before that achievement will be only a step in the process. All of the elements in the existing program are necessary to achieve this objective. Dr. Seamans, in his testimony on the appropriation bill, said:

> The $20 billion we are talking about includes all of the elements which we feel are absolutely necessary for the Lunar exploration, including the scientific aspects, the development of the boosters and the ground tracking of the space craft. You cannot take from that $20 billion any element and still have an opportunity for this major expedition.

If the end objective of our program is not to put a man on the moon by 1970, there is little justification for the present pace.

There are, of course, other predictions on the bare cost elements in the program peculiar to placing a man on the moon—elements which would not have any practical application to achievement of other objectives. Dr. Welsh, Secretary of the National Aeronautics and Space Council, said, in his testimony before the Appropriations Subcommittee, that approximately $7 billion of the $20 billion allocated for the manned lunar program is involved directly with landing on the moon. Dr. Seamans gave another estimate in his testimony before the Senate Space Committee this year when he said:

> Many of the measurements that we are making with our manned vehicles are not particularly in support of the manned lunar landing and, if you include that support plus the tracking stations and the ships that are included under tracking and data acquisition, you will find the total manned lunar effort and everything that proceeds it (sic) probably comes to more nearly three-fourths of the budget.

He also said, in testifying before the House Appropriations Subcommittee, that some 25 or 30 percent of the NASA effort had no relation to the manned lunar landing program. He said:

> A manned lunar landing program does bring together a large part of the NASA objective and gives the pace important objectives and ties things together but it does not include some 25 or 30 percent of our effort.

It might be mentioned that the large vehicles and their boosters, the Saturn 1, 1B, and 5, are being developed solely for manned space aimed at getting a man on the moon and back. The budget request this year for these vehicles was $800 million for Saturn 5, $159 million for Saturn 1, and $76 million for Saturn 1B.

It has been quite difficult to get meaningful information on the space program. It is such an amorphous mass or miasma that it is almost impossible to get a handle on it. I envy those Senators who feel they are well versed on the technical and budgetary aspects of it. I cannot compete with them on details, and I do not profess to be an expert in this area. My argument is based on simple questions of priority and the relative needs of society, an approach which we as Senators should take toward every money bill. I tried to obtain information on the possible effects of reductions in the NASA appropriation, but without success. This information, according to NASA, will not be available until about November 30, which will, of course, be too late for use by the Senate in judging the question before it. Apparently, it is very difficult to get positive guides from this Agency on areas where reductions could be made with the least delay or harm. The Senator from Nevada [Mr. CANNON] asked the officials to prepare such a priority list, but none was forthcoming. Representative THOMAS, the chairman of the House Appropriations Subcommittee, asked for a similar list of projects where cuts might be made. He also had no luck.

It is argued that the pace of the program at the budget request level is exactly right and that if it were speeded up or slowed down it would cost more. Apparently the argument is that the heavy overhead involved, if stretched out over a longer period, would inevitably increase costs. It seems rather unusual to me that this Agency has worked itself into such a budgetary situation, especially in view of the fact that it prides itself on having contracted out to private industry more than 90 percent of the funds appropriated to it. I understand that some 90 percent or more in dollar volume of NASA's contracts are let on a cost-plus-a-fixed-fee basis. I would submit that there is a very good potential for reductions in the cost of some of these contracted programs if the manned space program were pursued at a less hectic pace which would permit more competitive bidding on contracts. Cost-plus contracting, in my opinion, contributes very little to running an efficient and economical operation. I do not know of any situation in private industry or Government where haste has made for economy.

I find it impossible to digest all of the information about the financial aspects of NASA's operations. Apparently, there are a number of persons in private industry who were at least willing to make the attempt. One enterprising entrepreneur, the hearings related, duplicated the four volumes of the NASA's budget justifications and sold them at $40 a volume. I suppose he did quite a business with the 1,500 concerns that hold prime contracts worth $25,000 or more with NASA.

We see in NASA a prime example of the operation of Parkinson's law. The program has grown so fast and expanded into so many facets of our national life that in some areas it has become the tail that wags the dog. At the end of NASA's first year—only 4 years ago—it had 9,286 employees and expenditures of $338,900,000. At the end of this fiscal year, it expects to have 32,500 employees—and there is $5,190 million in this bill to finance its operations. It employs more scientists and engineers now than the total of all its employees in 1959. I find it difficult to believe that this kind of growth rate encourages efficiency and frugality with the taxpayers' money.

I noticed a few items in the budget request that struck me as being somewhat unusual. NASA is now in the education field in a big way, and I have serious doubts that this is a healthy thing for the country. NASA, it develops, is conducting its own student aid program at a rate of $7,000 per student per year, and it will soon have between 3,000 and 4,000 students under the program studying in nearly 100 universities. The goal, as I understand it, is to finance the education on the doctoral level of sufficient students to produce 1,000 Ph. D.'s a year—one-fourth of those graduating in the scientific and engineering fields relating to NASA activities. This program added up to nearly $14 million last year and is only part of the NASA educational work. NASA is also in the college construction grant business and plans to make grants of some $12 million this year for 11 academic research facilities. I find it hard to justify this Agency's participation in aid to education when we have so much difficulty in getting straightforward, across-the-board, aid-to-education legislation through the Congress.

NASA appears to be in the public relations business in a big way also. It has a budget this year of over $6 million for its public relations program. Perhaps the expanded distribution of press releases explains why the budget for printing and reproduction jumped from $1.6 million last year to $4.8 million this years. In any case I think that there is sufficient interest in the public and the communications media to cut down substantially on the program to create or maintain NASA's image. Our Nation's exploits in space speak pretty well for themselves, and I have noted no lack of ingenuity on the part of reporters in finding out what is going on in the Government. They will do it in spite of the efforts of taxpaid press agents to gloss over facts or suppress information.

One item in the NASA budget struck me as being particularly interesting, and that was the $460 million slated for construction of the 45-story assembly building and the three launching pads for the

Saturn 5 system. The assembly building, which is to be 520 feet tall, and about as wide, will equal in volume 1½ Pentagons, I am told. I only hope that some serious consideration is being given to what can be done with the building after the Saturn program is completed.

These very minute aspects of NASA's program indicate, I believe, that the Congress should take a much closer look at the activities of this Agency. In a program that has grown as rapidly as this one, a considerable amount of waste and duplication will occur as a matter of course. The way to bring it under control is not by nitpicking at such cases as develop. We must, I believe, approach this from a standpoint of a basic public philosophy. Is it more important for us to finance space at the rate of $5.2 billion than it is for us to make a more adequate attack on some of the grave deficiencies of our socity? Nothing I have heard during this debate has convinced me that my amendment cannot be adopted without any danger to the Nation's security or welfare.

A persuasive case has been made that the prospects for passage of needed legislation to correct some of the deficiencies of our society would be much improved by slowing down our self-imposed race to the moon. The 1965 budget is now being prepared in the executive branch. Congressional action calling for a more practical and leisurely pursuit of space exploration will bear much weight in the decisions being made on how to apportion the very strictly limited funds available. If it is obvious that Congress wishes to devote less effort to space relative to other programs it will improve prospects for funding of alternative domestic programs and ease the final pinch that clouds future action on the tax bill.

I hope that my amendment will be adopted.

I do not wish to burden the RECORD too much, but just as an illustration of some of the things that happen, and inasmuch as there have been many other illustrations of mistakes in other programs, and as an example of how the rapidity in the development of this program has resulted in waste, I want to read a short statement from the Washington Star of November 19.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Arkansas has 1 hour.

Mr. FULBRIGHT. I yield myself 5 minutes.

The Washington Star for November 19 carried the following story from which I read:

> Centaur—an upper stage for the Mercury-boosting Atlas-D missile—uses two 15,000-pound-thrust hydrogen engines. It was developed at great cost in a program which has been sharply criticized in Congress and elsewhere for poor management.
>
> Now about 2½ years behind schedule and far above original cost estimates, the Centaur has never flown under its own power. An attempt to fly it in May 1962, ended in disaster when hydrogen tankage ruptured before the Centaur engines got a chance to ignite.
>
> A second Centaur firing, originally scheduled for October 1962, was delayed.
>
> If Centaur fails in the forthcoming shot, there will undoubtedly be great pressure to abandon the project, which has already cost an estimated $500 million.

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

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. Would the Senator mind pointing out whether the Centaur was an Army device, or an ARPA device, and was only recently transferred to the Space Agency?

Mr. FULBRIGHT. I did not know. This article does not indicate that. It is now under NASA.

Mr. ANDERSON. It is now under NASA. It started out as one of ARPA's projects. I am sure the military did the best it knew how.

Mr. FULBRIGHT. And I believe NASA did, too.

Mr. ANDERSON. But I do not believe NASA should be blamed for what the Army or ARPA did.

Mr. FULBRIGHT. I am not blaming anybody. I am only pointing out that mistakes are inevitable when we double a program of this size every year. I do not think the Army or NASA are to blame. I say that the Congress is to blame. I am not seeking to blame Mr. Webb. He does what he is paid to do, but the Congress is most improvident. This program is degenerating into a grab bag of goodies for everybody. If we look at the record of the distribution of funds, we see there is something in it for everybody. Of course, most of it goes to California, Texas, Alabama, and Florida, but there is something in it for everybody. Even Arkansas gets $300,000, which is big money for Arkansas. One of the leading citizens of my State was recently taken on a guided tour of Huntsville. He wrote me a letter saying that he did not understand why I was not enthusiastic about the space program, because he had seen wonderful things at Huntsville.

Mr. ANDERSON. Was he a guest of NASA or the military?

Mr. FULBRIGHT. He did not state that. He said his comments were his private opinion. Even those who are taken for tours by the Navy year after year, when they write and say how wonderful it was, do not say whether they were the Navy's guests. They just write as citizens. We do not know why they write those letters.

Mr. ANDERSON. I only want to say that I do not feel that that little waste of money—if it happened as to the Centaur, and we are not sure whether it was a waste—means——

Mr. FULBRIGHT. Five hundred million dollars is a "little" in this program, I will admit. If such waste was found in foreign aid, or if $5 million had been spent wrongly, we know how much we would have been criticized.

Mr. ANDERSON. The Senator started this discussion of waste. I was trying to point out how the record with regard to Navajo was misleading. It was alleged there was evidence of waste in that respect. Now we are beginning to find out it has real value. There have been many evidences of real value when it was thought there was waste. I am not sure the Centaur will be found to have been a waste of dollars. Time after time we have succeeded in putting up space objects in orbit. They have been successful. I think it should be pointed out that there have been successes, and not merely failures.

Mr. FULBRIGHT. I have not alleged that it is all a failure. The Senator from New Mexico and the other proponents of this program seem to think I am for abandoning this program. I repeat, I am not for abandoning it. I have merely proposed an amendment which cuts only 10 percent from this enormous amount. This is to be distinguished from an authorization. This is an appropriation bill. This is the ceiling. This is distinguished from a bill like the foreign aid authorization bill, with which the Senate struggled for 3 weeks just to set a ceiling on the amount that could be spent. Foreign aid will still be cut further.

The Senator reminds me of an incident I do not like to recall too much, but I remember that on one of the first times I went to the White House in company with the Senator from New Hampshire, under the administration of President Eisenhower, the Senator made one of the most persuasive arguments I have ever heard criticizing the multiplicity of missiles then being developed. He said that we had the Sergeant, the Private, the WAC Corporal, and I do not know how many others. Then he said, "Mr. President, can you not bring into this some order, some specialization, so every agency is not going off in every direction?" I am sure the Senator remembers it.

Mr. ANDERSON. I not only remember it, but very distinctly, because I have spent a great deal of time on the missile problem. I recognize that a good job has been done. I do not know whether the Senator knows how frugal I am in this field——

Mr. FULBRIGHT. I am making the point that we give some thorough consideration to a program that has grown as fast as this one.

My main point is the pace at which we are seeking to enlarge the program, at great expense and great sacrifice to other programs. That is the only point I am making. I am not saying that there should not be a space program.

The Senator from Florida has stated that it is to be justified on the basis of so-called medical fallout.

If there is medical fallout from the space program which has value, why not have that taken care of in the regular way, in the medical research program?

We have put up more than a billion dollars for medical research into all forms of disease. That is the orderly way to do it.

To try to justify the space program because there may be some medical side

effect seems to me to be a far-fetched argument. By the original act, it was not intended to have military objectives.

As I said before, this is a race to the moon for prestige. That was asserted some time ago by the proponents. Now that that purpose has begun to fade the proponents are saying—and I am not referring to the Senator from New Mexico, but rather to the Senator from Missouri and the Senator from Florida, who spoke a short time ago today—that it is justified by its military aspects.

That is directly contrary to the policy statement on the basis of which the act was originally passed. I do not see how it is pertinent at all. It ought to be justified on the basis of the policy as stated in the original act.

When we look at the distribution of funds and the contracts for research and construction it is easy to see that it would be almost a miracle for the Senate to vote for a substantial cut.

I ask unanimous consent to have printed in the RECORD at this point three pages of a table appearing at pages 1137, 1138, and 1139 of the hearings on NASA authorization for fiscal year 1964.

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

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—ESTIMATED DISTRIBUTION OF FUNDS TO PRIME CONTRACTORS OR CONSTRUCTION LOCATION, FISCAL YEARS 1962, 1963, AND 1964

This chart does not represent expenditures on a State-by-State basis. Such data are not available. The following notes explain how the chart was prepared.

The data in this chart represent this Agency's estimate of the "Prime contractor location" or "Construction location" distribution of funds appropriated to NASA during fiscal years 1962, 1963, and 1964. It is essential that anyone using these data understand that they do not represent a distribution of where payments will be made and are subject to the following qualifications resulting from the methods by which the information was compiled.

1. The figures for "Construction of facilities" are credited to the State in which the facility is to be constructed.

2. The figures for "Operations" are credited to the State in which the NASA installation is located.

3. The figures indicated for "Research and development" are based on the estimated primary place of performance of the prime contractor. For fiscal years 1963 and 1964, the figures reflect, in part, significant amounts expected to be placed on contracts currently in force, and, in part, on the distribution of the balance of the funds on the basis of factors developed from the actual data available for fiscal year 1962.

4. It is important to realize that none of the figures in the chart reflect the State-by-State distribution of expenditures which result from subcontracting and supply expenditures related to the prime contractor's work. Although, in general, subcontracting information is not available to NASA, studies of the effect of subcontracting have been made. They reveal that many prime contractors spend more than 50 percent of the contract funds through thousands of subcontractors and suppliers scattered throughout the country. As a result, through the contracting system, the actual expenditure of the funds involved are spread over a much broader base and have a much wider distribution than the figures in this chart would indicate. For example, special data were obtained from nine companies located in six States receiving more than 50 percent of NASA's prime contract awards. They subcontracted to more than 10,000 first-tier subcontractors and suppliers located in 46 States.

Location based on estimated primary place of performance of prime contracts, subcontract information not available.

State	Fiscal year 1962				Fiscal year 1963				Fiscal year 1964				
	Research, development, and operation		Construction of facilities	Total	Research, development, and operation		Construction of facilities	Total	Research, development, and operation		Construction of facilities	Total	Percent
	Research and development	Operation			Research and development	Operation			Research and development	Operation			
Alabama	99.9	88.6	30.3	218.8	130.1	113.1	43.5	286.7	37.7	132.3	38.5	208.5	3.70
Alaska	5.2		1.2	6.4	2.7			2.7	3.2			3.2	.06
Arizona	6.9			6.9	5.4			5.4	5.9			5.9	.10
Arkansas	(1)			(1)	.3			.3	.3			.2	(2)
California	542.0	31.6	44.3	617.9	1,239.8	37.6	85.1	1,362.5	2,394.4	49.4	66.6	2,510.4	43.95
Colorado	4.5			4.5	4.6			4.6	8.4			8.4	.15
Connecticut	4.7			4.7	9.5			9.5	41.2			41.2	.72
Delaware	(1)			(1)	.3			.3	.3			.3	(2)
Florida	62.6	6.5	116.3	185.4	89.8	15.8	327.0	432.6	91.6	37.2	313.4	442.2	7.74
Georgia	4.1			4.1	6.7			6.7	7.3			7.3	.13
Hawaii					.1			.1	.1			.1	(2)
Idaho					1.9			1.9					(2)
Illinois	10.3			10.3	16.0			16.0	13.9			13.9	.24
Indiana	2.0			2.0	2.7			2.7	3.4			3.4	.06
Iowa	2.3			2.3	2.3			2.3	63.3			63.3	1.11
Kansas					.8			.8	.8			.8	.01
Kentucky					(1)			(1)	.2			.2	(2)
Louisiana	22.8		11.1	33.9	220.5		18.3	238.8	456.9		10.0	466.9	8.17
Maine					.2			.2	.2				(2)
Maryland	32.9	38.2	12.2	83.3	51.4	55.0	17.5	123.9	52.5	68.2	20.9	141.6	2.48
Massachusetts	24.3			24.3	41.6	.8		42.4	79.0	4.2	5.0	88.2	1.54
Michigan	6.9			6.9	6.3			6.3	5.4			5.4	.09
Minnesota	3.6			3.6	9.2			9.2	85.4			63.4	1.50
Mississippi	.1		19.0	19.1	.1		73.2	73.3	.1		111.7	111.6	1.96
Missouri	86.8			86.8	234.7			234.7	340.1		1.5	341.6	5.98
Montana					.1			.1	.1			.1	(2)
Nebraska													(2)
Nevada	.6		22.9	23.5	.4	.4	17.5	18.3	.4	.6	20.5	21.5	.38
New Hampshire	.4			.4	.4			.4	.3			.3	(2)
New Jersey	33.2			33.2	61.8			61.8	60.8			60.8	1.06
New Mexico	2.1		.4	2.5	5.8		1.6	7.4	4.2		15.0	19.2	.34
New York	68.0			68.0	132.7			132.7	379.8			379.8	6.65
North Carolina	2.1		5.0	7.1	1.3		3.5	4.8	2.1			2.1	.04
North Dakota													(2)
Ohio	13.9	45.5	1.9	61.3	35.2	54.3	43.5	133.0	13.4	67.1	25.8	106.3	1.86
Oklahoma	.8			.8	1.4			1.4	1.1			1.1	.02
Oregon	(1)			(1)	.6			.6	.3			.3	(2)
Pennsylvania	31.1			31.1	29.0			29.0	42.5			42.5	.74
Rhode Island	.3			.3	.5			.5	.3			.3	(2)
South Carolina					.1			.1	.1			.1	(2)
South Dakota	.1			.1	.8			.8	.5			.5	(2)
Tennessee	2.7			2.7	2.8			2.8	2.8			2.8	.05
Texas	40.3	23.8	66.7	130.8	66.2	50.2	45.3	161.7	56.6	71.3	37.7	165.6	2.90
Utah	(1)			(1)	.7			.7	.4			.4	(2)
Vermont	.1			.1	.2			.2	.1			.1	(2)
Virginia	17.0	53.6	18.7	89.3	30.1	59.5	25.3	114.9	7.4	64.5	11.8	83.7	1.47
Washington	.4			.4	2.2			2.2	1.5			1.5	.03
West Virginia					.8			.8	2.2			2.2	.04
Wisconsin	5.7			5.7	12.6			12.6	10.7			10.7	.19
Wyoming													(2)
District of Columbia	13.5	24.7		38.2	38.3	48.2		86.5	45.8	65.5		111.3	1.95
Various locations			8.2	8.2			36.1	36.1	26.7		121.6	148.3	2.60
Total	1,154.2	312.5	358.2	1,824.9	2,501.0	434.9	737.4	3,673.3	4,351.7	560.3	800.0	5,712.0	100.00

[1] Less than $50,000. [2] Less than 0.01 percent.

Mr. FULBRIGHT. Mr. President, I point to the distribution of funds. There is so much money in the bill that it would be very embarrassing for any substantial number of Representatives and Senators to vote to cut it. I cite the contracts with California companies as one small example. If I were from California, I would find it very difficult to vote to cut the bill. California, under the budget for fiscal year 1964, is allotted $2,510,400,000. That is its slice of the pie.

The budget graduates on down to the smaller ones. Of course some of them get nothing. But, only a very few States get nothing.

I also ask unanimous consent to have printed in the RECORD at this point the table appearing at page 1135 of the same hearings. It is entitled "Chart 1. Survey Showing the Effect of Subcontracting." This shows where subcontracts are placed.

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

CHART 1

SURVEY SHOWING THE EFFECT OF SUBCONTRACTING

Geographical distribution of NASA 1st- and 2d-tier subcontracts awarded by 12 of NASA's major prime contractors and their 1st-tier subcontractors for the period January 1962 through June 1963

State	Distribution based on principal place of performance of prime contracts		Distribution based on place of performance of subcontracts		State	Distribution based on principal place of performance of prime contracts		Distribution based on place of performance of subcontracts	
	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Alabama	$1,859,076	0.3	$888,346	0.1	New Hampshire			$117,854	
Arizona			10,670,794	1.6	New Jersey			10,029,794	1.5
Arkansas			171,558		New Mexico			36,326	
California	417,383,676	61.2	305,014,972	44.7	New York	$28,973,022	4.2	72,179,129	10.6
Colorado			4,526,845	.7	North Carolina			575,680	.1
Connecticut	73,043		26,175,909	3.8	Ohio			10,188,022	1.5
Florida	5,018,909	.7	37,286,028	5.5	Oklahoma			1,470,688	.2
Georgia			174,593		Oregon			641,472	.1
Illinois			9,367,643	1.4	Pennsylvania			47,437,736	7.0
Indiana			1,778,852	.3	Rhode Island			385,614	.1
Iowa			18,335,666	2.7	South Carolina			11,328	
Kansas			642,439	.1	Tennessee			559,474	.1
Louisiana	15,486,002	2.3	6,429,028	.9	Texas	4,871,907	.7	4,390,063	.6
Maine			156,018		Utah			1,124,455	.2
Maryland			21,677,456	3.2	Vermont			66,214	
Massachusetts			32,593,623	4.8	Virginia			224,170	
Michigan			8,232,572	1.2	Washington			369,665	.1
Minnesota			41,429,746	6.1	West Virginia			647,026	.1
Mississippi			45,311		Wisconsin			2,071,516	.3
Missouri	208,593,135	30.6	2,931,719	.4					
Nevada			1,203,426	.2	Total	682,258,770	100.0	682,258,770	100.0

NOTE.—The above table is based on data obtained in a survey of 12 of NASA's major prime contractors in 8 States. Each prime contractor was requested to report on every subcontract awarded in excess of $10,000 and each 1st-tier subcontractor awarded a contract in excess of $50,000 was requested to report on every 2d-tier subcontract in excess of $10,000. The data in the table reflect the 1st-tier subcontracts awarded from January 1962 through August 1962 and the 1st- and 2d-tier subcontracts awarded from September 1962 through June 1963. The lack of data on 2d-tier subcontracts for the period January 1962 through August 1962 results from the fact that the survey was initiated in August 1962 and retroactive data back to January 1962 were obtained only on 1st-tier subcontracts.

Mr. FULBRIGHT. Mr. President, I also call attention to the table which shows the distribution of research grants. Here again there is something for everyone. Certainly even Defense, with its $47 billion budget, is not quite as well distributed as the NASA budget. Everyone gets a little something from NASA.

NASA has learned from past experience that it pays to do this. Every State in the Union gets substantial research grants, even Arkansas, which has a small part of it in two grants, one for $30,000, and another for $20,000.

NASA is not content to go into every university in the country, it even goes abroad. They have distributed research grants in Canada and England, and scattered them around so that even those people could be inclined to get their relatives or friends in the United States interested enough to ask their representatives to vote for the bill.

I am sure the bill has very strong support. It is understandable that it would have, under these circumstances. What I am trying to do is not to defeat the bill, not to reject it, but merely suggesting that it may be changed moderately. It could well stand a cut of 10 percent, as proposed in my amendment.

There is a provision in the bill to make possible the transfer of 5 percent from one category to another. I suppose that such a transfer could be made; and if it were made, I doubt that any particular project would be pinched. They might take a little money out of their public relations fund which they use for advertising. They have $6 million in the bill for public relations to go around the country with spacemobiles and drum up support.

I remember when the Senate adopted a specific restriction against the State Department spending a nickel on informing the public about foreign aid. It was said that that was terrible, that it was a gross misapplication of public funds. However, in this bill an amount of $6 million is specifically set aside for advertising. I suppose it is used to send out spacemobiles around the country, for example, to impress children with how wonderful it will be to go to the moon, and then to have the children go home, I suppose, and ask their parents to vote for the program.

That is what happened with my friend who was taken down to Huntsville.

Whenever an agricultural bill is before the Senate, there is a conflict of interest. The city people think the agricultural people are imposing on them, and are charging more for cotton or wheat than they should. I cannot see anyone who has a conflict of interest in the pending bill, because everyone seems to get something out of it. I do not know of any interest that could say, "This imposes upon us." That is, no one except the taxpayers, and, of course, they are without representation.

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

Mr. FULBRIGHT. I yield.

Mr. McGOVERN. The Senator mentioned the agricultural situation. Did he note the report in yesterday's newspapers that the agricultural experts at the Department are predicting a drop in farm income of about a half billion dollars this year, and another half billion dollars next year, for a total of $1 billion? That is about what the Senator is proposing be saved in the bill.

Mr. FULBRIGHT. Yes; I saw that article. If we refuse to sell any of our surplus of grain abroad, our surpluses will be worse in the years to come, because we will either have to sell them or stop growing what we are now growing. I would not be surprised if the Senate voted not to sell any wheat to the Russians. We may just have to let the weevils eat it.

Mr. President, finally I ask unanimous consent to have printed in the RECORD a chart entitled "Thirty Largest Contractors (Business Firms) Listed According to Net Value of Direct Awards,

July 1–December 31, 1962," appearing at page 328 of the House hearings on the bill.

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

30 largest contractors (business firms) listed according to net value of direct awards, July 1 to Dec. 31, 1962

Contractor	Net value of awards	
	Thousands of dollars	Percent of total awards to business
Total awards to business	$826,053	80.90
1. North American Aviation, Inc., Los Angeles, Calif.[1]	197,400	23.9
2. McDonnell Aircraft Corp., St. Louis, Mo	84,577	10.2
3. Aerojet-General Corp., Azusa, Calif.[1]	44,776	5.4
4. General Dynamics Corp., San Diego, Calif.[1]	41,652	5.0
5. Chrysler Corp., New Orleans, La.[1]	32,805	4.0
6. Boeing Co., Seattle, Wash.[1]	31,536	3.8
7. Douglas Aircraft Co., Inc., Santa Monica, Calif.[1]	30,963	3.7
8. United Aircraft Corp., West Palm Beach, Fla.[1]	26,324	3.2
9. Radio Corp. of America, Princeton, N.J.[1]	18,870	2.3
10. International Business Machines Corp., Rockville, Md.[1]	18,377	2.2
11. Grumman Aircraft Engineering Corp., Bethpage, N.Y	17,458	2.1
12. Space Technology Laboratories, Inc., Los Angeles, Calif.[1]	15,130	1.8
13. General Electric Co., Philadelphia, Pa.[1]	14,342	1.7
14. Mason Rust, Lexington, Ky	11,987	1.5
15. Bendix Corp., Baltimore, Md.[1]	10,908	1.3
16. Ling-Temco-Vought, Inc., Dallas, Tex.[1]	8,494	1.0
17. Brown Engineering Co., Inc., Huntsville, Ala	8,056	1.0
18. Hughes Aircraft Co., Culver City, Calif.[1]	8,014	1.0
19. Republic Aviation Corp., Farmingdale, N.Y	6,394	.8
20. Hayes International Corp., Birmingham, Ala	5,727	.7
21. Lockheed Aircraft Corp., Sunnyvale, Calif.[1]	5,388	.7
22. Union Carbide Corp., Fontana, Calif.[1]	4,765	.6
23. General Motors Corp., Milwaukee, Wis.[1]	4,312	.5
24. Norair Engineering Corp., Washington, D.C	3,367	.4
25. Roediger Construction, Inc., Cleveland, Ohio	3,000	.4
26. Electro-Mechanical Research, Inc., Washington, D.C.[1]	2,958	.4
27. Packard Bell Electronics Corp., Los Angeles, Calif.[1]	2,895	.4
28. Collins Radio Co., Dallas, Tex.[1]	2,862	.3
29. Piracci Construction Co., Inc., Baltimore, Md.[1]	2,422	.3
30. Ampex Corp., Redwood City, Calif.[1]	2,374	.3

[1] Awards during period involve more than 1 contractor address.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to place in the RECORD the letter the President of the United States sent to the chairman of the House Committee on Agriculture on September 23, 1963.

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

THE WHITE HOUSE,
Washington, September 23, 1963.

Hon. ALBERT THOMAS,
House of Representatives, Washington, D.C.

DEAR AL: I am very glad to respond to your letter of September 21 and to state my position on the relation between our great current space effort and my proposal at the United Nations for increased cooperation with the Russians in this field. In my view an energetic continuation of our strong space effort is essential, and the need for this effort is, if anything, increased by our intent to work for increasing cooperation if the Soviet Government proves willing.

As you know, the idea of cooperation in space is not new. My statement of our willingness to cooperate in a moon shot was an extension of a policy developed as long ago as 1958 on a bipartisan basis, with particular leadership from Vice President JOHNSON, who was then the Senate majority leader. The American purpose of cooperation in space was stated by the Congress in the National Aeronautics and Space Act of 1958, and reaffirmed in my inaugural address in 1961. Our specific interest in cooperation with the Soviet Union, as the other nation with a major present capability in space, was indicated by me to Chairman Khrushchev in Vienna in the middle of 1961, and reaffirmed in my letter to him of March 7, 1962, which was made public at the time. As I then said, discussion of cooperation would undoubtedly show us "possibilities for substantive scientific and technical cooperation in manned and unmanned space investigations." So my statement in the United Nations is a direct development of a policy long held by the U.S. Government.

Our repeated offers of cooperation with the Soviet Union have so far produced only limited responses and results. We have an agreement to exchange certain information in such limited fields as weather observation and passive communications, and technical discussions of other limited possibilities are going forward. But as I said in July of this year, there are a good many barriers of suspicion and fear to be broken down before we can have major progress in this field. Yet out intent remains: to do our part to bring those barriers down.

At the same time, as no one knows better than you, the United States in the last 5 years has made a steadily growing national effort in space. On May 25, 1961, I proposed to the Congress and the Nation a major expansion of this effort, and I particularly emphasized as a target the achievement of a manned lunar landing in the decade of the 1960's. I stated that this would be a task requiring great effort and very large expenditures; the Congress and the Nation approved this goal; we have been on our way ever since. In the larger sense this is not merely an effort to put a man on the moon; it is a means and a stimulus for all the advances in technology, in understanding and in experience, which can move us forward toward man's mastery of space.

This great national effort and this steadily stated readiness to cooperate with others are not in conflict. They are mutually supporting elements of a single policy. We do not make our space effort with the narrow purpose of national aggrandizement. We make it so that the United States may have a leading and honorable role in mankind's peaceful conquest of space. It is this great effort which permits us now to offer increased cooperation with no suspicion anywhere that we speak from weakness. And in the same way, our readiness to cooperate with others enlarges the international meaning of our own peaceful American program in space.

In my judgment, therefore, our renewed and extended purpose of cooperation, so far from offering any excuse for slackening or weakness in our space effort, is one reason the more for moving ahead with the great program to which we have been committed as a country for more than 2 years.

So the position of the United States is clear. If cooperation is possible, we mean to cooperate, and we shall do so from a position made strong and solid by our national effort in space. If cooperation is not possible—and as realists we must plan for this contingency too—then the same strong national effort will serve all free men's interest in space, and protect us also against possible hazards to our national security. So let us press on.

Let me thank you again for this opportunity of expressing my views.

With warm personal regards.

Sincerely,

_____.

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. COTTON (when his name was called). On this vote I have a pair with the junior Senator from Arizona [Mr. GOLDWATER]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. SALTONSTALL (when his name was called). On this vote I have a pair with the senior Senator from Nebraska [Mr. HRUSKA]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. HARTKE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Wisconsin [Mr. NELSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD] is absent because of death in family.

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

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. MCINTYRE], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

On this vote, the Senator from Wisconsin [Mr. NELSON] is paired with the Senator from Massachusetts [Mr. KEN-

NEDY]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Massachusetts would vote "nay."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent because of a death in his family.

The Senator from Iowa [Mr. MILLER] and the Senator from Wyoming [Mr. SIMPSON] are absent on official business.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

If present and voting, the Senator from Iowa [Mr. MILLER] would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Kentucky would vote "nay."

The respective pairs of the Senators from Arizona [Mr. GOLDWATER] and that of the Senator from Nebraska [Mr. HRUSKA] have been previously announced.

The result was announced—yeas 36, nays 46, as follows:

[No. 244 Leg.]

YEAS—36

Bartlett	Ervin	Neuberger
Beall	Fong	Pell
Bennett	Fulbright	Prouty
Boggs	Gore	Proxmire
Burdick	Gruening	Randolph
Byrd, Va.	Hickenlooper	Robertson
Church	Johnston	Russell
Clark	Jordan, N.C.	Scott
Curtis	Jordan, Idaho	Talmadge
Dirksen	McGovern	Walters
Dominick	Morse	Williams, N.J.
Douglas	Mundt	Williams, Del.

NAYS—46

Aiken	Hill	Moss
Allott	Holland	Muskie
Anderson	Humphrey	Pastore
Bayh	Inouye	Pearson
Bible	Jackson	Ribicoff
Brewster	Javits	Smathers
Byrd, W. Va.	Keating	Smith
Cannon	Kuchel	Sparkman
Carlson	Magnuson	Stennis
Case	Mansfield	Symington
Cooper	McCarthy	Thurmond
Eastland	McClellan	Tower
Edmondson	McNamara	Young, N. Dak.
Ellender	Mechem	Young, Ohio
Hart	Metcalf	
Hayden	Monroney	

NOT VOTING—18

Cotton	Kennedy	Miller
Dodd	Lausche	Morton
Engle	Long, Mo.	Nelson
Goldwater	Long, La.	Saltonstall
Hartke	McGee	Simpson
Hruska	McIntyre	Yarborough

So Mr. FULBRIGHT'S amendment was rejected.

Mr. MAGNUSON. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. ALLOTT. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 324

Mr. PROXMIRE. Mr. President, I call up my amendment No. 324, but ask that the reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Without objection, it is so ordered.

The amendment offered by Mr. PROXMIRE is, as follows:

On page 37, line 3, change "$4,006,000,000" to "$3,926,000,000" and on page 37, line 9, change "$690,000,000" to "$680,000,000".

Mr. PROXMIRE. Mr. President, first, let me ask whether the Senator from Washington will agree to a 10-minute total limitation—5 minutes to a side—on the debate on this amendment, with the understanding that after the debate on it is concluded, there will be a yea-and-nay vote on the question of agreeing to the amendment.

Mr. MAGNUSON. Very well. Mr. President, I ask unanimous consent that the debate on the amendment be limited to 5 minutes to a side.

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

Mr. PROXMIRE. Mr. President, on the question of agreeing to my amendment No. 324, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 3 minutes.

Mr. PROXMIRE. First, Mr. President, I ask that the name of the Senator from West Virginia [Mr. RANDOLPH] be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. PROXMIRE. Mr. President, the Senator from West Virginia has been the leader in the Senate in a great fight to bring a sense of realism and practicality into the space program. The pending amendment would cut the NASA appropriation by a little less than 2 percent—not by 10 percent or $500 million as did the previous amendment, but by a little less than 2 percent, or $80 million. In short, the amendment would return the amount for this item to the amount voted by the House of Representatives. Specifically, the amendment would cut the appropriation for research and development from $4,006 million to $3,926 million.

In 1963, the appropriation for NASA research and development was $2,900 million. My amendment would permit a $1 billion increase in the appropriation for research and development—an increase of approximately one-third, in this 1 year.

The amendment would also reduce the appropriation for construction by $10 million, or a little more than 1 percent.

NASA has just completed an immense construction program. As the Senator from Arkansas [Mr. FULBRIGHT] has so eloquently and so well stated, I feel that there is much waste in the space program; I think that has been extremely well documented by the Senator from Arkansas, and I believe that all Senators know of this.

There may be some Senators who feel that a $500 million cut would have been too much. But this amendment calls for a reduction or cut of only $90 million or approximately 2 percent, and I think the record justifies the making of such a cut.

The record made by the Senator from Arkansas [Mr. FULBRIGHT] supports the cut in this appropriation in great detail; therefore, I shall not speak longer in support of the amendment.

Mr. MAGNUSON. Mr. President, my remarks on this amendment will be very brief, for the question of making a cut in this appropriation item has already been discussed quite thoroughly.

The pending amendment would put this entire item in conference with the House. There are items which we wish to discuss with the House conferees; the Senator from Idaho has an item which will require discussion between the Senate conferees and the House conferees; but I hope we do not have to have a conference with the House conferees on the amount of this item, because of this amendment.

Mr. FULBRIGHT. Does the Senator from Washington mean to say that there will not be a conference?

Mr. MAGNUSON. I did not say that; but if this amendment is rejected, there will not be a conference with the House on this amount.

Mr. FULBRIGHT. Just on the amount?

Mr. MAGNUSON. Yes. We want to be in a position to have a conference with the House, because there are some amounts we wish to talk about with the House conferees.

Therefore, Mr. President, this amendment should be dealt with by the Senate in the same way that it dealt with the preceding amendment. The argument in opposition to the preceding amendment was made at considerable length, and the same argument applies in opposition to the pending amendment.

Mr. President, I yield back the remainder of the time available to me.

Mr. PROXMIRE. Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. All remaining time on the pending amendment has been yielded back.

The question is on agreeing to the amendment (No. 324) offered by the Senator from Wisconsin, on behalf of himself and the Senator from West Virginia [Mr. RANDOLPH]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McGOVERN (when his name was called). On this vote, I have a pair with the junior Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. SALTONSTALL (when his name was called). On this vote I have a pair with the Senator from Nebraska [Mr. HRUSKA]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. HARTKE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri

[Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Wisconsin [Mr. NELSON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD] is absent because of death in family.

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

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Missouri [Mr. LONG], and the Senator from Louisiana [Mr. LONG] would each vote "nay."

On this vote, the Senator from Florida [Mr. SMATHERS] is paired with the Senator from Wisconsin [Mr. NELSON]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Wisconsin would vote "yea."

On this vote, the Senator from New Hampshire [Mr. MCINTYRE] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Virginia would vote "yea."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent because of a death in his family.

The Senator from Iowa [Mr. MILLER] and the Senator from Wyoming [Mr. SIMPSON] are absent on official business.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Kansas [Mr. CARLSON] is detained on official business.

If present and voting, the Senator from Kansas [Mr. CARLSON], the Senator from Iowa [Mr. MILLER], and the Senator from Wyoming [Mr. SIMPSON] would each vote "yea."

The pair of the Senator from Nebraska [Mr. HRUSKA] has been previously announced.

The result was announced—yeas 40, nays 39, as follows:

[No. 245 Leg.]

YEAS—40

Aiken	Douglas	Pearson
Allott	Ervin	Pell
Bartlett	Fong	Prouty
Beall	Fulbright	Proxmire
Bennett	Gore	Randolph
Boggs	Gruening	Scott
Burdick	Hickenlooper	Talmadge
Byrd, Va.	Javits	Thurmond
Church	Johnston	Walters
Clark	Jordan, N.C.	Williams, N.J.
Cooper	Jordan, Idaho	Williams, Del.
Curtis	Morse	Young, Ohio
Dirksen	Mundt	
Dominick	Neuberger	

NAYS—39

Anderson	Hart	McCarthy
Bayh	Hayden	McClellan
Bible	Hill	McNamara
Brewster	Holland	Mechem
Byrd, W. Va.	Humphrey	Metcalf
Cannon	Inouye	Monroney
Case	Jackson	Moss
Cotton	Keating	Muskie
Eastland	Kuchel	Pastore
Edmondson	Magnuson	Ribicoff
Ellender	Mansfield	Smith
Sparkman	Symington	Yarborough
Stennis	Tower	Young, N. Dak.

NOT VOTING—21

Carlson	Lausche	Morton
Dodd	Long, Mo.	Nelson
Engle	Long, La.	Robertson
Goldwater	McGee	Russell
Hartke	McGovern	Saltonstall
Hruska	McIntyre	Simpson
Kennedy	Miller	Smathers

So Mr. PROXMIRE's amendment (No. 324) was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to; and on that question I ask for the yeas and nays.

Mr. ALLOTT. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The Chair advises the Senator from Washington that he is not eligible to make the motion.

Mr. CLARK. Mr. President——

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

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

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. The Senate will be in order. The Chair has recognized the Senator from Montana.

Mr. MANSFIELD. Mr. President, must a Senator have been on the winning or losing side to be eligible to make a motion to reconsider?

Mr. CLARK. Mr. President, I move to lay that motion on the table.

Mr. MANSFIELD. I am merely asking a question.

The PRESIDING OFFICER. The Senate will be in order. A parliamentary inquiry has been propounded.

The Chair advises the Senator from Montana that, to be eligible to make such a motion, the Senator must have been on the prevailing side.

Mr. CLARK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. Or the motion can be made by a Senator who did not vote.

Mr. CLARK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOUGLAS. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. CLARK. Mr. President, after having voted in the affirmative, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. DOUGLAS. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

Mr. MAGNUSON. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President——

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Can there be debate on a motion to table?

The PRESIDING OFFICER. The Chair advises the Senator from Washington that the motion is not debatable.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative when his name was called.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

Mr. DIRKSEN. Mr. President, the roll is being called. There can be no parliamentary inquiry.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry. Is a vote "nay" a vote not to lay on the table?

Mr. DIRKSEN. Mr. President, that is out of order. There has been a response to the call of the roll.

The PRESIDING OFFICER. The Senate will please be in order. The clerk will continue the call of the roll.

The legislative clerk resumed the call of the roll.

Mr. SALTONSTALL (when his name was called). On this vote I have a pair with the Senator from Nebraska [Mr. HRUSKA]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. BURDICK. On this vote I have a pair with the junior Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Indiana [Mr. HARTKE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Wisconsin [Mr. NELSON], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD] is absent because of death in family.

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

I further announce that, if present and voting, the Senator from California [Mr. ENGLE] and the Senator from Louisiana [Mr. LONG] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Wisconsin [Mr. NELSON] is paired with the Senator from Missouri [Mr. LONG]. If present and voting, the Senator from

Wisconsin would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from Virginia [Mr. ROBERTSON] is paired with the Senator from New Hampshire [Mr. MCINTYRE]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent because of a death in his family.

The Senator from Iowa [Mr. MILLER] and the Senator from Wyoming [Mr. SIMPSON] are absent on official business.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

Also, the Senator from New York [Mr. KEATING] is necessarily absent.

If present and voting, the Senator from Iowa [Mr. MILLER] and the Senator from Wyoming [Mr. SIMPSON] would each vote "yea."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from New York would vote "nay."

The pair of the Senators from Nebraska [Mr. HRUSKA] has been previously announced.

The result was announced—yeas 41, nays 38, as follows:

[No. 246 Leg.]

YEAS—41

Aiken	Ervin	Pearson
Allott	Fong	Pell
Bartlett	Fulbright	Prouty
Beall	Gore	Proxmire
Bennett	Gruening	Randolph
Boggs	Hickenlooper	Russell
Carlson	Javits	Scott
Church	Johnston	Talmadge
Clark	Jordan, N.C.	Thurmond
Cooper	Jordan, Idaho	Walters
Curtis	McGovern	Williams, N.J.
Dirksen	Morse	Williams, Del.
Dominick	Mundt	Young, Ohio
Douglas	Neuberger	

NAYS—38

Anderson	Holland	Moss
Bayh	Humphrey	Muskie
Bible	Inouye	Pastore
Brewster	Jackson	Ribicoff
Byrd, W. Va.	Kuchel	Smathers
Cannon	Magnuson	Smith
Case	Mansfield	Sparkman
Cotton	McCarthy	Stennis
Eastland	McClellan	Symington
Edmondson	McNamara	Tower
Hart	Mechem	Yarborough
Hayden	Metcalf	Young, N. Dak.
Hill	Monroney	

NOT VOTING—21

Burdick	Hruska	McIntyre
Byrd, Va.	Keating	Miller
Dodd	Kennedy	Morton
Ellender	Lausche	Nelson
Engle	Long, Mo.	Robertson
Goldwater	Long, La.	Saltonstall
Hartke	McGee	Simpson

So, Mr. DOUGLAS' motion, to lay on the table Mr. CLARK's motion to reconsider, was agreed to.

Mr. SPARKMAN and Mr. DIRKSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, I send to the desk an amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. It is proposed, on page 34, line 4, to strike out "$2,000,000," and insert in lieu thereof the following: "$12,000,000, of which amount $10,000,000 shall be effective only upon enactment into law of H.J. Res. 785 or S.J. Res. 129."

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

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

Mr. SPARKMAN. I ask unanimous consent that I may yield first to the Senator from Washington.

Mr. DIRKSEN. I want to ask the majority leader about the program while Senators are present in the Chamber.

Mr. SPARKMAN. Very well; I yield to the minority leader.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, it is still hoped that action on the bill can be completed this evening. Then, if the Senate will give its approval and consent, we would like to call up the bill reported from the Finance Committee, having to do with the debt ceiling, tomorrow.

On Friday, I understand the distinguished Senator from Arkansas [Mr. FULBRIGHT] will be ready to take up the Library Act bill, reported from the Committee on Labor and Public Welfare.

In the meantime it may be possible to consider measures to which there is no objection. Tentatively, that is the schedule.

Mr. WILLIAMS of Delaware. Mr. President, when does the Senator plan to bring up the conference report on the legislative appropriation bill?

Mr. MANSFIELD. I wish I could give the Senator a reply, but at the request of a Senator of some standing, action has been held up. I cannot answer. I hope it will not be too long.

Mr. WILLIAMS of Delaware. The continuing resolution adopted on October 28 expires on November 30. Can we have assurance that the conference report will be brought before the Senate prior to the Thanksgiving recess?

Mr. MANSFIELD. I will do my best.

Mr. WILLIAMS of Delaware. In any event, can we have the assurance that before the legislative appropriation conference report is considered in the Senate, Senators will be notified? Personally, I expect to object to an extension unless the conference report is acted upon.

Mr. MANSFIELD. The Senator from Delaware is making a fair request. So far as it will be in the control of the leadership, he will be notified before another continuing resolution comes before the Senate.

Mr. WILLIAMS of Delaware. I thank the Senator. The reason I think this is so important is that a Member of the other House has seen fit to cast a reflection on the character of every girl working with the U.S. Senate. I, along with every Member of the Senate, resent such an irresponsible statement and am determined that the charge not go unchallenged.

This is not just a charge against the Senators but what is even more reprehensible is that it is an attack on the character of a lot of nice girls. The Senate should demand that the man who made these charges either prove them or deliver a public apology.

Mr. PASTORE. Mr. President, we cannot hear a word being said, and we ought to be hearing what is being said. I hope Senators will raise their voices and that those who are talking will take their seats.

Mr. DIRKSEN. Mr. President, will the Senator yield further?

Mr. SPARKMAN. Mr. President, I yielded so the minority leader might query the majority leader about the program. I am under the impression that I am still yielding under that understanding.

INDEPENDENT OFFICES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 8748) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1964, and for other purposes.

JURISDICTION OVER MUTUAL FUNDS

Mr. DIRKSEN. Mr. President, there is a statement in the report of the Committee on the Independent Offices Appropriations bill which deals with the jurisdiction of the Comptroller of the Currency and the SEC in respect to the building up of mutual funds. I should like to place a statement on that point in the RECORD, because there is a bill on that subject pending before the Banking and Currency Committee. In order that this statement may be in the RECORD as a part of the legislative history, I ask unanimous consent to have it printed at this point.

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

STATEMENT

The Appropriations Committee report on the Independent Offices Appropriations for 1964 contains a paragraph at page 21 as follows:

"The committee notes the conflict of asserted jurisdiction in the field of administration of common trust funds. It is our opinion that national banks are adequately supervised by the Comptroller of the Currency, and directs that no funds appropriated in this bill be expended by the SEC for that purpose."

This seems to be an attempt by the Appropriations Committee to legislate on a subject which is now pending before the Banking and Currency Committee. In discussion on the floor yesterday Senator ANDERSON raised this question in a colloquy with the manager of the bill, Senator MAGNUSON. (The colloquy appears at p. 22358, CONGRESSIONAL RECORD, Nov. 19, 1963.)

Effective April 5, 1963, the Comptroller of the Currency adopted a regulation which for the first time would authorize a national bank to maintain a collective fund for the pooled investment of the bank's managing agency accounts—in other words authorize national banks to sponsor and operate what is in substance a mutual fund.

The Securities and Exchange Commission then took the position that a mutual fund sponsored by a bank, like any other mutual fund, would be subject to the Federal securities laws.

The Comptroller of the Currency sharply disputed this, claiming that the Federal securities laws have no application.

There is presently pending before the Senate a bill, S. 2223, to exempt bank collective trust funds from the Federal securities laws. This bill which has been referred to the Senate Banking and Currency Committee, should, after public debate, resolve the issue.

There are complex and important questions involved in this dispute, not only affecting a matter of jurisdiction between two Government agencies, but also involving the question as to whether the Glass-Steagall Act should be partially repealed so as to permit commercial banks to engage to some extent in the securities business.

Mr. SPARKMAN. Mr. President, I ask to modify my amendment. The wrong page was given. It should be page 35, line 4.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is so modified.

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

Mr. SPARKMAN. My time is limited. I have 30 minutes on my amendment.

Mr. TOWER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. TOWER. I should like an opinion from the Presiding Officer as to whether or not the amendment of the Senator from Alabama is in order.

The PRESIDING OFFICER. The Chair advises the Senator from Texas that the point of order is not in order at this time.

Mr. SPARKMAN. Let me remind the Senator from Texas that Senate Joint Resolution 129 has passed the Senate. As I understand, under our rules, this language can be put in the pending appropriation bill and the point can be raised later under a point of order.

I should like to take the time to speak briefly on an item in the report. It appears on page 20 of the report, dealing with the National Aeronautics and Space Administration. The committee language is as follows:

The committee found that the National Aeronautics and Space Administration has initiated an academic grant program which is projected to cost between $21 and $28 million per year in the near future. Because of the overlap with other governmental grant education programs, the committee questions the propriety of such a program administered by this agency, and therefore directs that no new grants be made without specific authorization and appropriation.

Mr. President, Senators are aware of the many specific accomplishments of the National Aeronautics and Space Administration during the 5 years since the enactment of the National Aeronautics and Space Act of 1958, and of the great progress which this country has made in overtaking the early Soviet lead in space research and exploration.

We have witnessed the brilliant success of the Nation's manned space flight program in Project Mercury—an unbroken record of six successes in six attempts despite the severe limitations of the booster capacity which was available. We observed with considerable awe the flight of Mariner II last December, when it traveled 180 million miles, and after a complex midcourse correction reached the vicinity of Venus when that planet was 36 million miles away. We have observed the successful flights of seven Tiros spacecraft and today these satellites have assumed an important role in the forecasting of worldwide weather conditions. Meanwhile, with Telstar, Relay, and Syncom, we have seen and heard practical demonstrations of satellite communication by radio, telephone, and television.

My purpose today, however, is not to review specific U.S. achievements in space. Significant and dramatic as they are, these achievements are of less importance to the future of the United States than the development of the basic resources which made them possible. It is this point—the manner in which our investment in the NASA program is building a basic structure of space power for the United States—which I would like to emphasize in these remarks.

Our national investment in the civilian space program has added and is adding to our national strength and to our future capacity to attain and maintain preeminence in space in several important ways:

First, we have developed within the government the organization and structure required for the management of this vast research and development enterprise and for the others which must inevitably come during the years ahead as we advance into the new age of science and technology. This organization, also, is developing a strong core of scientific and engineering talent which is operating at the frontiers of knowledge to perform the very advanced research which will insure U.S. leadership in space far into the future.

Second, the Nation is designing and constructing the massive engineering complexes here on earth which are required to build, test, and launch the powerful space vehicles which will assure and maintain U.S. preeminence in space.

Third, through the performance of more than 90 percent of NASA's work under contract with American industry we are building a structure of manufacturing competence. This will remain available for the design, development, and production of space boosters and spacecraft which will serve our needs for any future purposes which the national interest may require. This resource is of significance not only because of the strength it provides the Nation with which to meet any challenge we may encounter in space, but because of its contribution to the economy of the country in bolstering the aerospace industry as military requirements for aircraft and ballistic missiles are phasing out.

Fourth, the conduct of the space program is developing within the American industrial structure a reservoir of highly skilled engineering manpower trained to deal with the incredibly complex systems and subsystems required to perform effectively over long periods of time in the hostile environment of space. This is a resource which can be developed only over an extended period of time, but which could well be required on very short notice in the interests of our national security.

The development of these basic resources is apparent, I am sure, to my colleagues in the Senate, and most thoroughly appreciated. There is a further resource, however, of equal if not greater importance to the future welfare of the United States which may, I fear, be less appreciated and less well understood. I refer to the NASA activity in its sustaining university program through which contracts for basic research related to the NASA mission are awarded to the universities of the Nation and provisions made for NASA support of advanced graduate training and facilities which will enhance the ability of the universities to carry out NASA missions.

NASA during its first 5 years has sponsored substantial research in universities to provide a base for the highly sophisticated technology required for a better understanding of the environment, and for the ultimate conquest of space. As the program has grown and accelerated, the need for new mechanisms to utilize fully the university's unique capability to establish the United States as the foremost power in space science and technology, has become apparent.

It was evident that an adequate supply of trained personnel and a thorough knowledge of natural space phenomena were essential if the Nation were to progress at the optimum pace in its space efforts. It was also apparent that the Nation could not be content, as it emerged into an age in which progress is based on new scientific knowledge and very advanced technology, with a concentration of scientific research and graduate education in a relative handful of universities restricted to a few limited areas of the country.

The NASA sustaining university program was initiated in fiscal year 1962 to enlarge university participation in aeronautics and space science engineering endeavors, and to do so while strengthening the universities on a broad basis throughout the country—the "haves" as well as the "have-nots." This program has sought to do this, with considerable success, in three major ways:

First. Recognizing the increased demands for scientists and engineers in fields of space-related science and technology during the years ahead NASA undertook a program which would support its mission through provision of predoctoral training grants to graduate students in engineering, mathematics, and the physical sciences. Let me emphasize the words, "support its mission." NASA's objective is not one of subsidizing graduate education for education's sake. Rather, the training grants are designed to insure that the scientific and engineering manpower required to gain the maximum benefit at the minimum cost from the billions being invested in space research and exploration will be available during the years ahead.

Second. It has been NASA policy, throughout the past 5 years, to place its

basic research, to the extent possible, within the natural home of science—the university. This policy serves two significant purposes. First, it produces urgently needed scientific knowledge which will enable NASA to carry out its missions. Meanwhile, however, while getting this job done, the funds expended by NASA on research within the university serves to supplement the training of young scientists and engineers who participate in these projects. NASA has recognized, however, that in some instances the performance of substantial research in hitherto little known and little developed fields puts a substantial burden on the already overloaded physical facilities on the university campus. As a consequence, in selected instances where the urgent need exists, NASA has made some grants for the addition of laboratory space needed effectively to conduct the research which the agency is sponsoring.

Third. Space research differs from the scientific endeavors with which the universities have had most of their experience in the past in that space activity touches on virtually every scientific discipline. Recognizing this, NASA has supported grants which enable the universities to increase their role in support of its program through encouragement of creative multidisciplinary investigations, development of new capabilities, and consolidation of space-oriented activities.

Of great significance to me, and I am sure to many of my colleagues, is the emphasis being placed in NASA on broadening the base of graduate education and research in the performance of its mission. Dr. Clark Kerr, president of the University of California, in the second of the Godkin lectures at Harvard this year, observed that:

> The general policy of Federal agencies in allocating research grants to universities for the past two decades has been one of "seeking excellence wherever it is;" one of accepting the established pattern and following it.

Dr. Kerr went on to note that there is increasing emphasis on the development of additional outstanding centers of graduate instruction and research.

NASA's first objective, of course, must be to carry out expeditiously and successfully the missions assigned to it by the Congress. Therefore, it has used, is using, and will continue to use the substantial scientific researches available to it in the most highly developed scientific and technical institutions such as MIT, Cal Tech, and others. Meanwhile, however, those who are administering the NASA program have recognized that the national interest requires a development of scientific competence and graduate educational facilities in all parts of the Nation as science becomes an increasingly important factor in industrial development. This is a matter of extreme importance to those of us from the less highly industrialized States who are concerned with future economic growth and employment opportunity in the areas we represent.

Mr. President, I believe the policy established by NASA with respect to university participation in this challenging space effort, and the broad strengthening of the universities throughout the Nation which these policies will produce, may well be one of the most important benefits which the Nation derives from the funds we are allocating to the space effort.

The NASA university program is not an educational effort which overlaps the scholarship programs being carried out through other agencies of the Government. Rather it is one uniquely constituted to insure the supply of specially trained scientific and engineering manpower which will be required for the successful completion of the missions already assigned to NASA by the Congress. The program would be vital to the country if it served no other purpose.

It is reassuring to me, however, that through the policies established by NASA in the conduct of its university relationships the Nation, throughout the 50 States, will develop a stronger university system. It is important that brilliant young students who have the latent talent to contribute to the Nation's advance in science and technology will have the opportunity to develop that talent. And certainly none of us can fail to appreciate the importance of producing the most brilliant scientists and engineers of which we are capable to supervise the investment of many billions of dollars in future space research.

For these reasons, Mr. President, I am very surprised to discover that the Committee on Appropriations, in its report on the NASA request for fiscal 1964, apparently seeks to curtail this important NASA activity, an activity which has already demonstrated its great potential contribution to the accomplishment of the NASA mission and the welfare of the country.

In this report the committee finds that:

> The National Aeronautics and Space Administration has initiated an academic grant program which is projected to cost between $21 and $28 million per year in the near future. Because of the overlap with other governmental grant education programs, the committee questions the propriety of such a program administered by this agency, and therefore directs that no new grants be made without specific authorization and appropriation.

Mr. President, I find this language both vague and obscure. Certainly the committee cannot intend to hamstring NASA in the conduct of one of its most significant activities. A clarification of the meaning of this language is certainly required if this body is intelligently to consider the appropriation which is before us.

Mr. MANSFIELD. Mr. President, the remarks of the distinguished junior Senator from Alabama were of great interest to me, and serve to reinforce my own conviction that the investment which we have made in space research, and which we propose to make in the future, must be considered in the context of the long-term basic resources which are being provided.

I wish, particularly, to support his views with respect to the relationships which NASA is developing with the Nation's universities. Certainly, the physical facilities which are being constructed to support our space effort are important, but highly trained minds, capable of mastering complex problems at the cutting edge of science and technology, may well prove to be an even more vital resource in the years ahead.

Many of you may have read the report on this problem prepared by the President's Scientific Advisory Committee. This report strongly reinforces the conclusion that a special effort must be made to insure that young Americans interested and capable of working in these fields become available to meet our future scientific and engineering manpower needs. The report indicates that qualified students are available who would not otherwise enter graduate research training unless new opportunities are available. It recommends an immediate increase of 8,000 new starts in the number of federally-assisted graduate students in engineering, mathematics, and the physical sciences.

The advisory committee proposed that, as a necessary and achievable goal, the Nation turn out 7,500 Ph. D.'s a year in these fields by 1970, compared with 3,400 in 1962. NASA, recognizing the demands which it will make on the scientific and engineering manpower pool, has undertaken to support the training of that portion of trained people required to meet its anticipated future programs.

The program was initiated in 1962, with grants to 10 universities for the support of 10 graduate students at each university for a period of 3 years. The total cost of this program was approximately $2 million. In fiscal year 1963, the program is being increased by about 800 trainees enrolled in 90 universities throughout the Nation. The cost, $15 million, for 900 potential Ph. D.'s to carry out NASA work in the years ahead.

The attitude of the scientific community toward this activity is evident from the report of the Iowa summer study sponsored by the National Academy of Sciences. During an 8-week review by this group of senior scientists and engineers from universities, Government, and industry, full support was given to sponsorship by NASA of 4,000 students in graduate training at a given time, with the objective of producing a minimum of 1,000 Ph. D.'s a year. With the approval of the Congress, this is the ultimate NASA objective.

My distinguished colleague from Alabama has noted the emphasis which NASA is placing on broadening the base of graduate education in the United States. This is a matter of great importance to the Nation, and one which deserves amplification.

The most recent reports available to me indicate that there are in the United States nearly 1,500 colleges and universities which grant a baccalaureate degree after 4 years of study. Of these, some 1,100 grant bachelor's degrees in science or engineering.

Of these 1,500 institutions, about 150 grant the Ph. D. degree or equivalent in at least one field of science or engineering, almost always in association with original science or engineering research.

NASA Administrator James E. Webb noted recently, however, that these 150—which constitute only 10 percent of the Nation's total of universities—may be further broken down into three types:

First. The large, first-rank schools which steadily become stronger because of the competence they already possess.

Second. The intermediate institutions with competence in several selected areas, capable faculties, substantial enrollments, and good physical plants.

Third. The less fortunate institutions with critical problems involving faculty, location, general financial conditions, physical plant, and so forth. Often these universities produce excellent graduate students, but in general they suffer in comparison with the first two groups.

By far the largest proportion of federally sponsored research has been concentrated in the first two groups, for reasons which existed long before Federal funds became a significant source of university financial support. In other words, Federal support has not made these universities leaders, but rather has tended to concentrate in schools which are already leaders and could offer maximum results from the money spent. Moreover, in such a situation, the strong tend to become stronger.

In planning its policies relating to the universities, NASA has skillfully avoided two hazardous pitfalls. It has recognized that if it were to make grants only to a handful of leading universities, it would neglect an opportunity to develop and strengthen other institutions which can make an important contribution to the space effort. Meanwhile, however, the agency has recognized that accomplishment of its mission is its prime responsibility, and that it cannot undertake a program with the primary objective of reconstructing the weaker schools.

As Administrator Webb has pointed out, the NASA "contribution to broadening the research base, and lessening concentration, must take the form of a conscious effort to seek out competence in other universities, in addition to the big 10 or the big 20, and fan the spark of creativity in places where even modest encouragement to move ahead can produce large results of national benefit."

As a result of these policies, NASA is supporting research at all of the 20 first-rank schools, but also at about 80 others. In the case of predoctoral training grants, only 4 of the first 10, made in 1962, went to schools ranked among the "big 20." This year, 19 of the 20 are included—but there are training grants at 69 other schools which are not among the 20 leaders.

Mr. President, when the various forms of NASA activity with universities are reviewed—project research grants, seed grants to initiate participation by smaller schools, and training grants—it is discovered that NASA is already working with about 100 universities throughout the Nation which are not among the "big 20." The base is being broadened, and as this stimulus is applied, the research conducted in these newly participating schools may be expected to increase.

I will make one final point which is of significance to those who are concerned that the educational institutions in their States have an opportunity to develop into stronger institutions through participation in the NASA program. The manner in which NASA is awarding its predoctoral training grants is uniquely designed to foster development of stronger institutions. This is achieved through the award of the grant to the institution, rather than to individual scholars.

The significance of this method lies in the fact that the university, as an institution, is given the opportunity to select its own candidates for instruction on its own campus. The promising scholar, armed with an individual grant, cannot shop among the leading institutions to select his school, thus further concentrating competence in graduate instruction. The school receiving the grant, if it selects its candidates wisely, may enhance its chances of retraining the student as a faculty member once he has received his Ph. D.

Mr. President, I commend the Senator from Alabama for speaking so forcefully on this subject, and I concur wholeheartedly in his views regarding the fundamental resources being developed through our investment in space research.

Mr. SPARKMAN. I thank the Senator from Montana.

Since the debate has started on the bill I have reacted against this provision, because the language appears in the report, and we cannot reach it by amendment. I should like to have the attention, particularly, of the Senator from New Mexico [Mr. ANDERSON].

Second, it is a restriction on the authorization. It is not in the appropriation bill, but in the report of the Appropriations Committee.

It seems to me, I may say in all kindness, that it is not proper procedure. However, since the debate has started I have heard the able chairman of the Space Committee say that he has already scheduled hearings, to study this very subject, and plans to go through with the hearings.

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

Mr. SPARKMAN. I yield.

Mr. ANDERSON. The schedule was set up over a month ago, and the hearings will start tomorrow morning. We intend to go through with the hearings and study this subject.

Only one part scares me at all. I believe I understand what the committee was trying to do, and I am sympathetic with what it tried to do. What scares me is that the committee says in its report that no new grants shall be made. That stops the program completely. If it had said no new programs shall be started, that would be another story. We hope to clarify this point in the hearings, and try to get the group on a reasonable position, which will fully meet the desires of the Appropriations Committee.

Later I intend to make a statement, and to submit a resolution, which would make it possible to study the program. I wish this language had not been quite so strong.

Mr. ANDERSON subsequently said: Mr. President, I am deeply disturbed by the language contained in Report No. 641 on NASA's appropriation relative to NASA's academic grant program.

It is my understanding that the intent of this language is to prevent NASA from continuing its university training grant program for fiscal year 1964 until a separate authorization and appropriation is enacted.

The committee, in arriving at a recommendation that $5.511 billion be authorized, was cognizant of the fact that a reduction to this amount, from the $5.712 billion originally requested, would result in some curtailment of hardware development in the on-going NASA programs. After careful study, however, there was neither the desire nor the intention on the part of the committee that restrictions be placed on the basic activities of the agency which will be at the heart of our progress in space in the years ahead.

In my judgment, the university program is such an activity. As my distinguished colleagues from Montana and Alabama have suggested, the American people can have confidence that this Nation will be equipped to meet any challenge which confronts it in space only if we make certain that we have the highly trained manpower needed to do the work.

Mr. President, I would like to emphatically state my position in connection with this program. NASA's budget request for fiscal year 1964 contained $55 million for facility, training, and research grants programs. The graduate training portion of this program was begun by NASA in the spring of 1962 when they expended approximately $2 million for grants to 10 universities for 3-year support of 10 graduate students at each university. In fiscal year 1963 NASA increased this program by expending just under $15 million for an additional 786 trainees at 88 universities. So, at the present time NASA has nearly 900 graduate students in this type of training. NASA requested for fiscal year 1964 $25 million for their training program, $18 million for facilities, and $12 million for research grants.

The legislative committees of the House and Senate scrutinized extremely carefully this program. I would like to call the attention of the Members to part 1 and part 2 of the hearings before the Senate Space Committee, during which considerable attention was paid to this program. On page 297 of part 1, Dr. Newell of NASA discussed at length the sustaining university programs. On page 305 a list of first and second year participants by universities is listed. On page 311 additional information concerning NASA's predoctoral training grants is furnished. Considerable testimony in these pages is devoted to the information submitted. Furthermore, page 723 of part 1 gives a complete statement on the programs administered by the Office of Grants and Research Contracts of NASA. This statement carries through some 8 pages.

In part 2 of NASA's authorization hearings, I call attention to testimony appearing on page 1057, pages 1085 through 1087 and pages 1110 through 1113. In taking this testimony from NASA the committee took notice that the

national space program relies heavily on the skill and training of the people who are in the program and that success would be contingent, not only upon NASA, but also upon the efforts of other government agencies, industry, universities, and the scientific community in general. I also call the attention of the Members to page 1119 of the authorization hearings, which contains material submitted by Dr. Jerome Wiesner and contains Dr. Wiesner's testimony before the House Committee on Education. This material extends through page 1127 of the hearings. I also call attention to the Senate Space Committee Report No. 385 wherein this program for fiscal year 1964 is spelled out beginning on page 86 and continuing through page 93.

After thoroughly analyzing NASA's needs, the legislative committees, for fiscal year 1964, authorized the appropriation of $40 million of the $55 million originally requested. Pursuant to this cutback, NASA has indicated that it is allocating for fiscal year 1964, $20 million for training, $12 million for facilities, and $8 million for research grants.

Mr. President, I am in agreement that the extension of governmental grant educational programs needs to be looked at and that NASA's programs should continue to be scrutinized carefully. Furthermore, NASA should be held to the amounts authorized and appropriated for these programs. However, I feel that NASA has justified their requests for fiscal year 1964 and that they should be allowed to continue this program at the $40 million level authorized by the legislative committees. I would assure the members that our committee intends to require NASA to stay within the confines of its program as set forth in the authorization hearings and, for my part, can assure the Appropriations Committee that no reprograming moneys would be allowed to be utilized and no new policies would be inaugurated without further specific authorizations and appropriations. I am also prepared to introduce an amendment to the appropriations act that would require NASA to conform to the same reprograming requirements with respect to any construction of any major facility in connection with its programs for grants to nonprofit institutions of higher education or to nonprofit organizations whose primary purpose is the conduct of scientific research as is applicable to NASA's other reprograming authority for research and development and construction of facilities programs.

I would not like at this time, however, to cut off the proposed program for NASA for fiscal year 1964 which, in my mind, would lend emphasis to the statement that whenever a cut is made in NASA's program that it is the scientific programs which are materially affected.

Mr. President, the Senate Space Committee is keenly aware of the concern from many sources over the various types of Federal aid to education programs now being carried out by the departments and agencies of the Federal Government.

Some of the concern expressed has been over the fact that there is much duplication involved in the many Federal Government educational programs now being pursued by various Government departments and agencies. Mr. President, the staff of the Space Committee has been busy for some time looking into the Government educational aid programs and NASA's participation in such programs. In conducting their research the staff has had available to it some of the excellent work done by other committees in Congress in this area. It has availed itself of the House Committee on Education and Labor's House Document 159. It has also had available the National Science Foundation's reports and reports made by the President's Science Advisory Committee. Because of the concern expressed and the investigation on the part of the staff, the Space Committee is scheduling hearings this week, Thursday and Friday, on NASA's educational programs and policies. These hearings authorized about a month ago, are scheduled to look into not only the aspects of NASA's educational programs, the reasons and necessity for them, and NASA's projected programs in the future, but also to see wherein NASA's programs fit into the overall policy of the Government with respect to educational grants and to what extent, if any, duplication exists between NASA and other governmental programs. To this end, the committee is beginning its testimony Thursday by having Dr. Jerome Wiesner appear to testify in connection with the administration's overall educational programs.

I would hope that the Senate would not indicate that it is its intention to deny NASA to continue their fiscal year 1964 program for facility, training, and research grants, but would allow this program to continue in the manner as set forth by NASA before the authorizing committees, and with the understanding that the program would be limited to the expenditure of $40 million for fiscal year 1964 which started last July 1, of which $20 million would be allocated for training grants.

Mr. MAGNUSON. Mr. President, before the program went further, the committee wanted to slow it down so that it could be studied and to give the Space Committee an opportunity to examine it. I believe I am reflecting what the committee had in mind.

Mr. ANDERSON. Mr. President, I find myself in complete agreement with what the chairman has said. I believe it is desirable to hold this program down, so that it may be carefully studied.

But the language of the report, if taken literally—that no new grants shall be made—would completely destroy the program.

Mr. SPARKMAN. I feel the same way. That is the clarification I want. The report states that no new grants shall be made. Frequently the grant programs are laid out over a series of years. Commitments are made, although grants are not actually made at the time.

Mr. MAGNUSON. Not for this program. This is a fairly new program. It has been pushed, but not over a series of years.

Mr. SPARKMAN. I believe the chairman will bear out my statement that grants are made over a series of years.

Mr. MAGNUSON. They may be made in the future.

Mr. SPARKMAN. No.

Mr. MAGNUSON. There are not many, and the reason is that we wanted to have Congress examine into the program. Apparently, this is a new program, with certain overlapping features. Let us not have the RECORD unclear about that.

Mr. SPARKMAN. That may be. I have discussed this question with the Senator from Colorado [Mr. ALLOTT]. I do not argue that there may not be overlapping; but I believe less overlapping will be found so far as this particular training is concerned than will be found in many other fields. What I want to be certain of—and I think this would clear the situation—is that this language will not be a restriction upon carrying out commitments already made.

Mr. MAGNUSON. I think the chairman would be safe in assuming, for the legislative history, that that is not the intention of the committee.

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

Mr. SPARKMAN. I yield.

Mr. ALLOTT. I agree with the statement just made by the chairman. I have discussed the situation privately with the Senator from Alabama [Mr. SPARKMAN] and the Senator from New Mexico [Mr. ANDERSON]. The question has arisen because, for the first time since the committee has had these people appear before it, within my recollection, the committee learned that they were conducting such a program. It costs between $7,000 and $7,500 a person. About $3,500 is provided to the student, about $3,000 to the college, with something additional for dependents. The total amount is about $7,500 a person, and there are about 700 or 800 students.

Mr. ANDERSON. Seven hundred and eighty-six.

Mr. ALLOTT. Seven hundred and eighty-six students. So we suddenly found that we were confronted with a project which, essentially, is a Federal aid-to-education measure.

Mr. SPARKMAN. I do not argue about the objective; I merely want assurances that the program will not be crippled.

Mr. ALLOTT. I agree wholeheartedly.

Mr. SPARKMAN. The legislative committee is making a study of the program, so I am sure it will submit a proper recommendation.

Mr. ALLOTT. A good portion of yesterday afternoon was devoted to debating the budget for the National Aeronautics and Space Administration. There has been a good deal of debate on it this afternoon. This is proper, good, and helpful. But this agency also says that every dollar in its budget is "tight"; yet we suddenly find that it is projecting $20 to $28 million, according to Mr. Webb's testimony, into a program that no one had ever heard of before. It was the

committee's view—and I think it was unanimous—that the program ought to be slowed down. Then the Senator from New Mexico informed us that it was his intention to examine into the question fully.

Mr. STENNIS. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. STENNIS. I am concerned about this problem and the remedy for it. What would the Senator from Alabama propose instead of the specific language which is contained in the report?

Mr. SPARKMAN. I do not understand that that can be changed. I am seeking a clarification.

Mr. ANDERSON. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. ANDERSON. The statements made by the Senator from Washington, chairman of the subcommittee, and the Senator from Colorado, the ranking minority member of the subcommittee, are sufficient. Those statements were clear.

Mr. STENNIS. It seems to me that they should clarify the situation.

Mr. CURTIS. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield.

Mr. CURTIS. What is the definition of a "new grant"?

Mr. SPARKMAN. I said the language on that point was unclear and obscure.

Mr. CURTIS. Does that mean a new grant or another university?

Mr. SPARKMAN. Not only is there that question; but suppose the commitment were made over a period of 3 years—and I know that some have been made for that period. The first grant would be made for the first year. The university would set up its facilities on a 3-year basis. It was thought that this language might be restrictive enough to cut off the second and third years; that that might be held to be a grant. The chairman has cleared up that point.

Mr. MAGNUSON. I suppose the word "program" would have been a better definition. But it is a grant for 3 years, the grant is made for 3 years.

Mr. SPARKMAN. When the grant is made, the payment can continue.

Mr. MAGNUSON. The Senator is talking about an individual payment?

Mr. SPARKMAN. Yes.

Mr. MAGNUSON. We can clarify that.

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

Mr. SPARKMAN. I yield, if I have time remaining.

Mr. CLARK. I strongly support the Senator from New Mexico [Mr. ANDERSON] and the Senator from Alabama [Mr. SPARKMAN] in the colloquy in which they have just engaged. This educational program is of great importance to my State. The University of Pennsylvania, the University of Pittsburgh, Penn State University, and a large number of other institutions of higher learning in my Commonwealth are enabled to train scientists, engineers, and technicians who are badly needed for the NASA program. They are in short supply.

I make the additional point, in all humility and with all deference to the chairman of the Committee on Appropriations [Mr. HAYDEN] and the chairman of the subcommittee [Mr. MAGNUSON], that, in my opinion, the Committee on Appropriations has exceeded its authority in directing that no new grants should be made without specific authorization and appropriation. This is a legislative program for the Committee on Aeronautical and Space Sciences. I would hope that the Committee on Appropriations would show some decent self-restraint in not usurping the authority of other committees by bringing a program of this sort to an end through what is really an indirect method, namely, by a statement in a report on an appropriation bill. Frankly, I am not in favor of it. Therefore, I commend the Senator from New Mexico and the Senator from Alabama. I hope that as a result of this discussion, the program in question may continue, to the extent approved by the Committee on Aeronautical and Space Sciences.

Mr. MAGNUSON. The program is under the general authority of the space agency. It is always authorized. We are considering now the expenditure of the money. The legislative committee merely examines the program, and may reaffirm the authorization or reaffirm some new programs. The space agency has been participating in this program for a short period of time under general authorization. This is not a question of authorization; the program is now in effect.

Mr. CLARK. I understand that what is before the Senate is the question of appropriation. My suggestion, I say in all due deference to dear friends, is that the statement in the report is not only unwise but, in my opinion, exceeds the authority of the Committee on Appropriations.

Mr. MAGNUSON. I disagree with the Senator's statement, because if that were true, the Committee on Appropriations has been exceeding its authority for 100 or more years.

Mr. CLARK. I think it has been. I agree with the Senator on that point.

Mr. ANDERSON. The Senator from Washington is correct when he says that the Committee on Appropriations has considered these questions for more than a hundred years. He recognizes, as I do, that for many years legislative committees made the appropriations.

Mr. MAGNUSON. That is correct.

Mr. ANDERSON. It was only when legislative authority and appropriation authority were divided into legislative committees and the Appropriations Committee that this question arose. I was a member of the House Committee on Appropriations. In that position, I made a careful and exhaustive study of how these duties were divided.

While I might tend to agree with the Senator from Pennsylvania, nevertheless, the very fact that the Senator from Washington makes the kind of statement he has made and the Senator from Colorado makes the kind of statement he has made, should disarm those who are worried about the situation, because in my opinion the program is a good one. The original position taken by the Senator from Colorado was that he wanted to know more about it.

The Committee on Aeronautical and Space Sciences had had hearings scheduled for several weeks at the time this question came before the committee. We intend to start tomorrow morning and to pursue the matter further. I am sure that when we have finished, the Senator from Washington and the Senator from Colorado will be satisfied.

Mr. SPARKMAN. I am satisfied with the record that has been made and with the statements that have been made by the chairman and the ranking minority member of the subcommittee.

Mr. MAGNUSON. The chairman of the committee sometimes finds himself in a difficult position. I voted against the language, but the committee voted to incorporate it in the report.

Mr. SPARKMAN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Alabama has 4 minutes remaining.

Mr. SPARKMAN. If the Senator from Colorado can say what he wishes to say in 2 minutes, I will yield him 2 minutes.

Mr. ALLOTT. I can say it in 1 minute.

The question of the Committee on Appropriations writing language such as this into the report was raised yesterday. This morning I therefore had my staff examine half a dozen appropriation reports of this year, including the Department of the Interior, the legislative appropriation, and the District of Columbia appropriation—and all of them contained not one, but dozens of such directives. I thought the Senator from Pennsylvania should be aware of that.

Mr. SPARKMAN. I am sure that is true.

Mr. President, the purpose of this amendment is to make an appropriation contingent on the bill as passed by the House. The bill dealing with this matter was passed yesterday by the Senate; and the testimony has already been taken by the committee on this particular appropriation item, with the idea of its being a contingent appropriation.

So I hope the chairman of the committee will accept the amendment.

Mr. MORSE. Mr. President, will the Senator from Washington yield briefly to me?

Mr. MAGNUSON. I yield.

Mr. MORSE. I invite the attention of Senators to the CONGRESSIONAL RECORD for yesterday, on page 22399, at which point I raised with the Senator the question I have been discussing. I wish to make this statement in regard to the legislative history.

In speaking yesterday I asked:

> Am I correct in my interpretation that by this language the committee intends that the $50 million can be used to fund new starts contained in the budget estimates?

Mr. MAGNUSON. This is the intent of the committee in that connection.

Mr. MORSE. I thank the Senator.

Mr. MAGNUSON. Mr. President, I yield back the remainder of the time under my control, because I understand that a point of order will be made. After it is made, the amendment can be discussed.

Mr. TOWER. Mr. President, I raise the point of order that the amendment of the Senator from Alabama is legislation on an appropriation bill, and therefore is not in order.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The Chair rules that the amendment offered by the Senator from Alabama depends upon a contingency—namely, the enactment of another legislative bill. Therefore, the Chair sustains the point of order, and brings to the attention of the Senate the fact that a similar ruling was made by the Chair on August 7 of this year, during the consideration of House bill 5888, the appropriation bill for the Departments of Labor and Health, Education, and Welfare.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. Do I correctly understand that because in the amendment reference is made to the House action on the bill, the amendment is out of order, but that if that reference were stricken out and if the reference in the amendment were only to the bill as passed by the Senate, the amendment would be in order?

The PRESIDING OFFICER. The Chair rules that under rule XVI, section 2, on page 17 of the Standing Rules of the Senate, the effectiveness of the amendment would depend upon the happening of a contingency; and, therefore, the Chair rules that the amendment is out of order.

Mr. SPARKMAN. Then, Mr. President, I modify my amendment by striking out any reference to any bill.

The PRESIDING OFFICER. The Chair asks the Senator from Alabama whether the amount in question was shown in the legislative bill?

Mr. SPARKMAN. It was.

The PRESIDING OFFICER. Then the amendment as modified is in order.

The question is on agreeing to the modified amendment of the Senator from Alabama.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. TOWER. Is it not true that the authorization has not been passed by the House of Representatives.

The PRESIDING OFFICER. An amendment is in order if it appropriates funds heretofore authorized by a bill passed by the Senate at this session.

Mr. TOWER. Then let me ask how the amendment, as modified, reads?

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 35, in line 4, it is proposed to strike out "$2,000,000", and to insert in lieu thereof "$12,000,000".

Mr. SALTONSTALL. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. SALTONSTALL. I understand that the Housing Act of 1954 provides a total authorization, and that the additional amount of $10 million, as proposed by the amendment, would be above the authorization carried in the 1954 act, and that the new act has not yet been passed. Therefore, the amendment would be out of order.

The PRESIDING OFFICER. The Chair is of the opinion that the requirement of the rule pertains to a measure passed by the Senate, not as enacted into law. Therefore, the Chair is of the opinion that the amendment, as modified is in order.

Mr. ALLOTT. Mr. President, do I correctly understand that the ruling of the Chair is that the modified amendment is in order although it is based upon the contingency that a bill passed by the Senate has not yet become law?

The PRESIDING OFFICER. The Chair's original ruling was that the amendment was out of order because it was contingent upon the passage of a measure by the House of Representatives.

The amendment, as modified, appropriates funds already authorized by the Senate at this session; and, therefore, the amendment, as modified, is in order.

Mr. ERVIN. Mr. President, I ask unanimous consent that, notwithstanding the fact that the remaining time has been yielded back, the Senator from Alabama inform the Senate what appropriation he seeks this amendment for. I do not think Senators should vote for an appropriation without knowing what it is for, and I have no idea of that, from the debate which has been had thus far.

Mr. MAGNUSON. I was about to yield to the Senator from Alabama some of the time which was available to me, so that he might explain his amendment.

Mr. SPARKMAN. Mr. President, if the chairman of the committee will yield a few minutes to me, I shall be glad to do so.

Mr. MAGNUSON. First, let me ask whether there are further parliamentary inquiries to be made. The Chair has ruled.

The PRESIDING OFFICER. The Chair has ruled that the amendment, as modified, is in order; and it is the understanding of the Chair that the remaining time has been yielded back.

Mr. ERVIN. I requested unanimous consent that notwithstanding the fact that the remaining time was yielded back, the Senator from Alabama be allowed to explain his amendment.

Mr. MAGNUSON. Then, Mr. President, before finally yielding back the remaining time under my control, I yield to the Senator from Alabama, from the time available to me on the bill, whatever time he needs to explain the amendment.

I say to the Senator from North Carolina that I am not familiar with the amendment, either; but I wished to wait until the parliamentary inquiries had been concluded and disposed of.

Therefore, I now yield to the Senator from Alabama, from the time available on the bill which is under my control, whatever time he requires.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I did not know there was opposition to the amendment. The chairman of the committee indicated to me that he was willing to accept the amendment; and his committee held hearings on the amendment, and the hearings are included in the printed volume which is on the desks of Senators.

The administration asked for $18 million additional, to be added to the authorized funds under section 702 of the National Housing Act. That item is for public works planning, for loans which are made to the smaller towns and cities.

Yesterday, we added an amendment. Heretofore, the loans have been repayable without interest; but yesterday we added an amendment requiring that from now on the loans bear interest. They are for the purpose of allowing the smaller cities and towns to plan for public works. The Senate passed the bill only yesterday, and there was floor debate on the bill, particularly in connection with the Senate amendment which requires that interest be paid.

Mr. MAGNUSON. But we held hearings on the general proposition, not on the exact amount.

Mr. SPARKMAN. Yes.

Mr. MAGNUSON. It is true that this is a very worthy activity of the Housing and Home Finance Agency. Most of these loans are made to towns of less than 5,000 population, so I understand.

Mr. SPARKMAN. That is correct.

Mr. MAGNUSON. I can supply the exact figures for the RECORD. Usually the loans are made to towns which cannot pay very much for a staff or for consultants to be used to make plans. The grants have been made for this purpose; and when the bonds are sold, the grants are repaid.

Mr. SPARKMAN. Yes; and now they will be repaid with interest.

Mr. MAGNUSON. Yes. Formerly, they were repaid without interest; but now a requirement for the payment of interest has been added.

Mr. SPARKMAN. That is correct.

Mr. MAGNUSON. That is correct.

Mr. SPARKMAN. Since the 83d Congress, when section 702 was first written into the act of 1954, the authorization was a total of $58 million, and $56 million of that amount has been used up. The administration this year asked for $18 million additional. Our committee reported out a proposal for $10 million. That is what the Senate adopted yesterday, and to that I am asking to have the amendment added.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. TOWER. Mr. President, what is the status of the provision, as amended, in the event the House fails to enact the resolution enacted by the Senate yesterday? Therefore, there would be no authorization for the proposed appropriation?

The PRESIDING OFFICER. The ruling of the Chair is based in part on section 1 and also section 2 of rule XVI, on page 17 of the Standing Rules of the Senate, part of which the Chair will read:

All general appropriations bills shall be referred to the Committee on Appropriations,

and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session.

Mr. TOWER. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

Mr. MORSE. Mr. President, I ask for a division.

On a division, the amendment was rejected.

Mr. CLARK. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Pennsylvania will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 39, line 23, it is proposed to strike the numeral and insert "$423,000,000.00."

Mr. CLARK. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I yield myself such time as I may need. For the information of the Senate, I expect to be brief. I do not expect to take as much as half the time allotted under the unanimous-consent agreement.

Mr. President, the amendment deals with the appropriation for educational purposes for the National Science Foundation. The 1963–64 estimate in the budget was $589 million. The House allowed $323,200,000, thus cutting more than $260 million from the President's request. The committee recommendation restored $50 million of that very large cut.

My amendment would restore another $50 million.

In my opinion, the executive witnesses, including Dr. Leland J. Haworth, Director of the National Science Foundation, made an extremely strong case for the entire amount which the administration requested. Senators will find Dr. Haworth's statement on page 737 and following pages in the hearings.

To quickly summarize what he said, he pointed out that the budget of $589 million requested was the consequence of intensive studies made of the situation which faces the Nation; that it reflects the considered judgment of the National Science Board and the staff of the National Science Foundation concerning national needs in science and the current and prospective ability to meet those needs; that about 80 percent of the funds appropriated to the Foundation go to approximately 650 colleges and universities which participate in one or more of our programs.

I doubt if there is a Senator in the Chamber who has an institution in his State which would be favorably affected, if the program of the President had been adopted, which has not been unfavorably affected by the large cut made by the House, and which would not have some of its wounds healed if an additional amount were restored by this amendment.

Dr. Haworth points out that there is a critical shortage in engineers, mathematicians, and physical scientists for the space program; that the needs are seriously outstripping the supply; that there is a need to double the number of first-year graduate students in these fields by 1970; and that the Federal Government must provide a major portion of the support for this expansion of scientific capabilities.

In summary, the National Science Foundation proposes expanded efforts in a number of programs that will:

First. Encourage and support national programs in basic science with emphasis upon high quality research in all fields.

Second. Encourage the achievement of higher standards of excellence by individuals and by institutions.

Third. Attract sufficient numbers of qualified students to science as a career.

Fourth. Stimulate growth of existing centers of scientific excellence and the development of new centers of such excellence wherever feasible.

Fifth. Encourage individual and cooperative programs to increase research emphasis on scientific areas of national interest.

The request of the National Science Foundation was buttressed by a pamphlet entitled "Meeting Manpower Needs in Science and Technology," which is a report of the President's Science Advisory Committee. It contains a foreword written by the President under date of December 13, 1962, in which he endorses the program of the National Science Advisory Committee for these scholarships and for this educational program.

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

Mr. CLARK. I am glad to yield.

Mr. JAVITS. I wish to express my support of the amendment of the Senator from Pennsylvania. I should like to ask the Senator a question and to make a comment on this point: I notice that the Senator voted to cut the NASA appropriation $90 million. I did, also. My reason for doing so was that I felt we do not wish to slow the program down as sharply as would the amendment of the Senator from Arkansas [Mr. FULBRIGHT]; but I believe many of us felt perhaps a little too much has gone into it on that level.

Does not the Senator from Pennsylvania feel that this amendment has a corelationship to what we did in respect to the other vote, in the sense that here we are dealing with a strictly scientific inquiry in balancing out the extent, in terms of the country, of the scientific effort which has been put forward as between space and other disciplines?

Mr. CLARK. I do indeed; and if my amendment is adopted it will develop brains. The amendment of the Senator from Wisconsin [Mr. PROXMIRE] scratched out the purchase of machines.

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

Mr. CLARK. I am glad to yield.

Mr. ANDERSON. The Senator realizes that by his vote and the vote of the Senator from New York, the easiest thing for NASA to cut out now is educational programs.

Mr. CLARK. The Senator is correct, and I hope he will support the amendment.

Mr. ANDERSON. We have been trying to keep the provision in the bill.

Mr. CLARK. Mr. President, I have said about enough. I hope I am not telling any tales out of school. The Senator in charge of the bill supported such a restoration in committee, but unfortunately he was not able to secure its adoption. Therefore, I hope that the Senator at least will deal gently with the amendment and perhaps we can put back some part of this badly needed program.

Mr. President, I reserve the remainder of my time.

Mr. MAGNUSON. Mr. President, all I can do is to inform the Senate what happened in the committee. The Senator from Pennsylvania is not telling any tales out of school.

I sometimes yield to the better judgment of the committee on an item. With respect to this item, I probably have been a little more emotional than most members of the committee, inasmuch as the Senator from Massachusetts [Mr. SALTONSTALL] and I introduced the bill to establish the National Science Foundation. Other Senators helped up, but we and Dr. Vannevar Bush, and others many years ago helped to establish it. We have had more than a passing interest in it.

I believe that the House cut the amount too much. I believe the National Science Foundation asked for too much, and that the Bureau of the Budget gave them too much, although the program has been accelerated somewhat during the past year.

I made a motion in the committee to do what the Senator from Pennsylvania would like to do. Then there was a motion to provide the amount agreed to by the House. Then we agreed on the $50 million item. I had hoped we could get $100 million, because of the necessity of negotiating with the House. We shall probably have to split the difference with the House, anyway, before we are through.

I accepted the $50-million figure, because 5 months of the fiscal year will have passed before the money is made available. The amount the Senator requests could be used, it is true.

I could not accept the amendment, even though my personal feelings lean in that direction, because the committee was very strong about keeping the figure at $50 million. That was not because the committee was against the National Science Foundation or its work, but because it was felt, 5 months of the fiscal year being gone, that that would be the correct amount.

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

Mr. MAGNUSON. Is that a fair statement?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. MAGNUSON. I yield.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Do I correctly understand that the time will come from the time of the opposition?

The PRESIDING OFFICER. The Senator is correct.

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

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLOTT. Mr. President, what the Senator from Washington, the chairman of the committee, has stated is entirely correct. We were faced with two alternatives. One was a question of adding $100 million. The other was the question of the retention of the House figure of $323.2 million.

I point out for the RECORD and for Senators who are in the Chamber that several factors are involved. One is that Dr. Haworth has recently come into the National Science Foundation. I regard him as a very eminent man. I am sure he is entirely just. I am sure he is a man of great integrity.

But because of certain things which have been happening in the National Science Foundation—in particular, I refer to the controversy over the Mohole project—he has had "to get on top of" many things in a short time. I am personally confident that there will be considerable administrative changes in the organization of the National Science Foundation after he has had an opportunity to make them.

Last year the National Science Foundation had $322.5 million. The Bureau of the Budget, very unwisely, I believe—probably on the basis that it could not resist doing so, if it were to increase NASA so much—made the figure $589 million. That would have been an increase of 82.6 percent in 1 year.

I submit to Senators that no human being and no group of human beings could expand a particular function of government, even this function, that fast and do it logically.

I am aware of where the money goes. I have been subjected, as I presume all other Senators have been, to pressures from people all over the country, who have been told, falsely—not by Dr. Haworth but by other people associated with the National Science Foundation—that the appropriations were being cut. No such thing has occurred. Even the House provided $1 million more than was available for the past fiscal year. The figure is being cut from the budget recommendation.

If the bill is passed and sent to conference, it will probably become a law about the first of December. Therefore, the funds will not be released to the National Science Foundation until approximately the first of the year—at best, in the last days in December. Therefore, if the amount is raised by $50 million, it will be equivalent to a $100 million yearly appropriation, nearly.

That was one thing the committee considered. I am sure it is what impelled the chairman of the committee to agree, as he did—and as the committee unanimously agreed—to provide $50 million. By providing $50 million we are, in effect, raising the budget $100 million for the year, because there will be only a half year in which to spend the money. By increasing on the basis of $100 million a year we will be providing 25 percent more this year than we did last year. I believe anyone would agree that, no matter how laudable the purpose of any agency may be, if its budget is increased by that amount, it is not being mistreated and will have an adequate opportunity for expansion of functions.

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

Mr. ALLOTT. I am happy to yield.

Mr. SALTONSTALL. As the Senator from Washington has said, he and I fought for the National Science Foundation many years ago. We had a hard job getting $7.5 million for them at that time. The figure will now be up to $373 million, if the committee recommendation is adopted.

I agree with what the Senator from Washington and what the Senator from Colorado have said. Both have aptly expressed what went on in the committee.

One item was quite convincing to me. There was a strong feeling in the committee that we should not increase the amount at all. I invite attention to one sentence on page 21 of the committee report, which reads:

> The amount restored is recommended for addition to the educational programs.

By putting that sentence in the report the committee was unanimously convinced that it should adopt the $50 million increase.

I say to my distinguished friend, the Senator from Pennsylvania, that there was considerable feeling, as expressed by the Senator from Colorado, as to not increasing the amount at all. Because it was so late in the year, there was an agreement to accept half of the $100 million. We unanimously agreed on that and put in the report the reference to "educational programs."

I feel that I shall have to support the committee.

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

Mr. ALLOTT. I am happy to yield.

Mr. MONRONEY. The Senator has mentioned the fact that the committee supported the figure of $50 million. Those of us who support the figure consider the fact that there probably will be enacted into law the bill which has passed both Houses and which is now in conference, for aid to higher education, which contains a considerable amount of money for purposes which at least parallel the educational provisions of this proposal, though perhaps not leading to the higher level of doctorates. For that reason we feel that $50 million additional to bring the figure to $373 million, would be a satisfactory advance for the year.

We can proceed, within a few months, to consider the new budget estimate, which will apply to the fiscal year to begin only 7 or 8 months from now.

I have always voted for higher level of funding for most educational bills, but I believe it should be wise at this point not to overstretch our luck. We should stay with the committee figure of $373 million, considering the other appropriations of the college aid bill which undoubtedly will be authorized when the House and Senate complete action in the conference.

Mr. ALLOTT. The Senator is correct. I appreciate his remarks.

The Senate should understand that the effect of the amendment would be, really, to increase the appropriations on the basis of $200 million a year, which would be excessive.

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

Mr. ALLOTT. I yield to the Senator from North Carolina.

Mr. ERVIN. Am I correct in the assumption that the appropriation in the bill was reduced $90 million by a prior amendment?

Mr. ALLOTT. Yes.

Mr. ERVIN. Are we not getting pretty close to Christmas?

Mr. ALLOTT. I do not know. I have sort of lost track of the calendar.

Mr. ERVIN. Does not the Senator think we ought to give the American taxpayers, who also like to have institutions of learning in their States, this $90 million cut made in the appropriation?

Mr. ALLOTT. From the letters I have received in the last few days, I am sure they would appreciate it.

Mr. CLARK. Mr. President, I yield 2 minutes to the Senator from Alaska [Mr. GRUENING].

The PRESIDING OFFICER. The Senator from Alaska is recognized for 2 minutes.

Mr. GRUENING. Mr. President, I support the amendment. It is very desirable. It is an investment in brains. I do not think we can spend too much on higher education. This amount is below what the administration wants. In view of the fact that we spend so much on the space program, we ought to go along with this increase.

Mr. CLARK. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 3 minutes.

Mr. CLARK. In reply to the Senators from Colorado, Massachusetts, and Oklahoma, I point out that the amendment now under consideration would still leave the appropriation $166 million less than the President of the United States asked for.

It is true that, because a part of the fiscal year has gone by, an increase in the appropriation now means more than it would have if it had been passed, as the law requires it should be passed, before the first of July; but that is why the amendment calls for an increase of only $50 million instead of asking for the restoration of a larger sum.

No one can say precisely just how much this cut will cost in terms of scientific and technological lag. But whatever the cost, with our country's well-being and security at stake, it is more then we can afford.

I say to the Senator from Oklahoma that it does not answer the question to say we will get more money for higher

education, which question is now pending, and may be brought before us. We need all this money for brains. This is not merely my statement. The President of the United States says so. Dr. Wiesner, the President's Scientific Advisor, says it. Even the Bureau of the Budget says so.

Mr. President, I ask unanimous consent that a newspaper article which was published in the Washington Post for Thursday, October 17, entitled "American Science Seen in Danger of Slowing Up," may be printed in the RECORD at this point in my remarks.

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

AMERICAN SCIENCE SEEN IN DANGER OF SLOWING UP

(By Howard Simons)

American science is in danger of losing the kinds of motivation that have carried it to unsurpassed heights during the past two decades.

This was the gist of a 2½-hour discourse on the state of American scientific research by Presidential Science Adviser Jerome B. Wiesner before a subcommittee of the House Science and Astronautics Committee yesterday.

Wiesner told the Congressmen, in effect, that American science was at a plateau after a giddy ascent motivated by military needs and the rude shock of sputnik.

RELATIVELY STABLE

Now, he said, the development of weapons "which has stimulated much of our scientific progress of the last 10 years" has reached a point of relative stability. And, there are indications that the impetus sputnik provided to move American science and education forward is on the wane.

Wiesner set forth a number of themes during his appearance before the Congressmen. One of these was to suggest that although "the scientific military revolution has stabilized" there are other important demands that must be met by science and technology. But, he indicated his concern that it will be difficult to rally support for these nonmilitary and nonspace activities.

AS KIND OF INSURANCE

Another theme was that the Nation must continue to invest in basic scientific research as a kind of insurance policy against unknown threats and unforeseen opportunities.

Wiesner drew a sharp line between basic research or "the pursuit of new knowledge" and development or the actual application of knowledge such as building an airplane or rocket. In fiscal 1963 Wiesner said, the Federal Government spent $1.4 billion for basic research and $13 billion for development.

Wiesner said that all too often persons in and out of Government confuse these two activities, lump them together and call them research.

As a rule of thumb, he suggested that in the case of basic research the Government should support "all really creative people." As for development or the application of science, Wiesner said that Government would have to be "far more careful than it used to be" in how it spends these dollars.

SHOULD KNOW IN ADVANCE

"There was some justification in the past," he told the Congressmen, "to go ahead and develop more than we could use. But today costs are such that we should know what we want before we go after it."

At the same time, Wiesner warned against tinkering with the present level of national involvement in science and technology. He said that the present alltime high level "cannot be reduced in any major way without at the same time severely distorting many of the most important national objectives."

For this reason Wiesner deplored the recent action of the House Appropriations Committee, which halved the National Science Foundation's fiscal 1964 budget request. He suggested that such budget cuts could destroy the Nation's "broad fabric of scientific knowledge."

Mr. CLARK. Mr. President, I also ask unanimous consent to have printed at this point in my remarks an article from the New York Times of October 24, 1963, entitled "Science Aid Asks New Grant Policy. Wiesner Would Aid Regions in Building Up Centers."

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

SCIENCE AID ASKS NEW GRANT POLICY—WIESNER WOULD AID REGIONS IN BUILDING UP CENTERS

WASHINGTON, October 23.—Dr. Jerome B. Wiesner, the President's science adviser, advocated today a policy of using Federal research money to promote the scientific growth of technologically backward regions of the Nation.

In effect, he was urging that the Government introduce a potentially controversial criterion into the method following in awarding thousands of scientific grants, particularly to universities.

Until now, these Government grants have been awarded primarily on the basis of the scientific quality of the experimenter.

The difficulty of this method, Dr. Wiesner said, is that it is making "the rich get richer and the poor get poorer."

As he noted, there is a widely held view that this system discriminates against areas with modest scientific establishment with the larger universities using Federal funds to attract scientists and students away from the smaller institutions.

Dr. Wiesner suggested that one of the most perplexing problems now confronting scientific policy planners was how to reconcile the present basis of awarding research grants on the basis of quality with the need to build up centers of scientific excellence in new regions of the Nation.

To abandon the quality standard might lead to political favoritism and Federal support of unproductive research.

As Dr. Wiesner put it, it would be "disastrous to the scientific enterprise if standards other than quality were made the primary basis for the allocation of money for support of basic research."

He advocated, rather, that Federal money be given to potentially promising universities for building up new centers of excellence in graduate education and research, "particularly in geographical areas aspiring to acquire a technological base."

Much the same approach was suggested yesterday by Dr. Paul M. Gross, chairman of the American Association for the Advancement of Science, in an appearance before a House subcommittee.

It is an approach that the administration is having trouble persuading Congress to adopt. Funds for such institutional grants were included in the National Science Foundation budget this year but were stricken by the House.

Dr. Wiesner spoke at ceremonies marking the centennial of the National Academy of Sciences, the honor society of American science.

USE OF KNOWLEDGE

In the first 2 days of the celebration, speakers have reviewed the rapid expansion of knowledge in understanding the universe, matter and life. In today's final session the emphasis shifted to a discussion of how this new scientific knowledge can be translated to the general public and used for the public welfare.

Assembled for the philosophical discussion were some of the elder statesmen of American science, men who 20 years ago helped develop the atomic bomb and who now are the scientific policy planners.

The chairman of the session was Dr. George B. Kistiakowsky, of Harvard University. The speakers included Dr. J. Robert Oppenheimer, of the Institute for Advanced Study, Dr. James B. Fisk, of Bell Laboratories, and Dr. I. I. Rabi, of Columbia University.

Dr. Oppenheimer suggested that barriers between scientists and the nonscientists "could perhaps be markedly reduced if more of them knew a little of what we were up to, knew it with pleasure and some confidence."

In the same vein, Dr. Rabi said it should be a matter of greatest concern to the scientific community to communicate to the general public the deep meaning, the excitement, and satisfaction of scientific discovery.

"Unless the public shares in our aspirations and our satisfactions in the scientific enterprise," he said, "the pure scientific impulse will have to be diluted and even distorted" toward such immediate ends as military developments.

Mr. CLARK. Mr. President, I concluded by saying that in 1960 only 3,000 doctoral degrees were awarded in engineering, mathematics, and the physical sciences in this country. The President's Science Advisory Committee has said that if we are to meet our national needs, we must have 2½ times that many by 1970.

The proposed amendments to the National Defense Education Act will go part of the way toward meeting this need. But unless the National Science Foundation receives adequate funds for the support of graduate education, the goal cannot possibly be met.

I now quote Dr. Jerome B. Wiesner, President Kennedy's principal science adviser, who recently said, speaking of the reductions made by the other body in the National Science Foundation requested appropriation:

> These recent cuts in the President's budget are all the more alarming in that they will severely arrest the capability of the NSF to meet its statutory responsibilities in research as well as in education. Unless funding through NSF increases to support basic research, education, and the development of institutions, the broad fabric of scientific knowledge and manpower needed to maintain current development programs will deteriorate.

Mr. CANNON. Mr. President, will the Senator yield 2 minutes to me?

Mr. CLARK. I yield 2 minutes to the Senator from Nevada.

Mr. CANNON. Mr. President, I wish to express my appreciation of the remarks made by the Senator from Pennsylvania [Mr. CLARK] and the Senator from New Hampshire [Mr. MCINTYRE] on the need for greater emphasis in the field of graduate study for scientists and engineers.

I have for some time now made clear my interest in the critical scientific manpower situation which confronts this country. In my opinion, the technical excellence which we must have to maintain the necessary economic and military

superiority in the face of the Communist challenge will not be maintained unless we bolster our educational efforts at every level. But particularly I am concerned with the opportunity that the Senate now has to emphasize the importance of expanding graduate study. For it is from this academic source that the bulk of our new ideas and theories in science will come. As Senator MCINTYRE has ably pointed out, the Soviet Union is presently turning out more than three times the number of Ph. D.'s in engineering than are being produced by this country.

It is also a matter which can easily be proven that the Government's need for scientists and engineers has severely strained the need for scientific manpower by other segments of our national economy. I further support this amendment because of what it would accomplish for our smaller universities and colleges which are hard pressed for finances in their efforts to move into the graduate field. The University of Nevada has made some efforts in graduate study, and I believe they are a typical example of a modest-size university attempting to make their contribution in the space age. Their efforts and the efforts of schools of comparable size should be encouraged because of the enormous stake the Nation has in their pusuit of excellence.

The additional 50 million for science education and graduate research facilities would help this Nation to meet its manpower needs, and I do not believe that economizing in this important task will assist us in reaching our goals.

I strongly believe that there is an urgent need for a better geographical distribution of support for our universities. It is apparent that the growth of colleges in this country and the development of increased capabilities is concentrated in altogether too few States, and our educational advancements seem to prove out that the rich get richer and the poor get poorer as far as competitive education is concerned. There is an urgent need for a wider participation by the States, and Nevada is one of those States which feels this need.

Mr. President, many opportunities have come to the Senate to improve the finances and growth of our educational system. We have missed most of these opportunities, and I wonder whether the Nation doubts our ability to keep pace in education. We have an opportunity in this amendment to provide an answer to that question.

Mr. CLARK. Mr. President, I am prepared to yield back the remainder of my time, if the Senator from Washington and the Senator from Colorado will do likewise.

Mr. ALLOTT. Mr. President, no Senator on this side seeks any time. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment of the Senator from Pennsylvania has been yielded back. The question is on agreeing to the 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 Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Wyoming [Mr. MCGEE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Wisconsin [Mr. NELSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

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

I also announce that the Senator from Connecticut [Mr. DODD] is absent because of death in family.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD] would vote "nay."

On this vote, the Senator from Missouri [Mr. LONG] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Louisiana would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MCINTYRE] is paired with the Senator from Arkansas [Mr. MCCLELLAN]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Arkansas would vote "nay."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent because of a death in his family.

The Senator from Iowa [Mr. MILLER] and the Senator from Wyoming [Mr. SIMPSON] are absent on official business.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

Also, the Senator from New York [Mr. KEATING] and the Senator from Maryland [Mr. BEALL] are necessarily absent.

If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Iowa [Mr. MILLER], the Senator from Kentucky [Mr. MORTON], and the Senator from Wyoming [Mr. SIMPSON] would each vote "nay."

On this vote, the Senator from New York [Mr. KEATING] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New York would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 20, nays 57, as follows:

[No. 247 Leg.]

YEAS—20

Bayh	Jackson	Pastore
Cannon	Javits	Pell
Clark	Magnuson	Ribicoff
Gruening	McCarthy	Scott
Hart	McGovern	Symington
Humphrey	McNamara	Yarborough
Inouye	Metcalf	

NAYS—57

Aiken	Bible	Carlson
Allott	Boggs	Case
Anderson	Brewster	Church
Bartlett	Burdick	Cooper
Bennett	Byrd, W. Va.	Cotton
Curtis	Jordan, N.C.	Robertson
Dirksen	Jordan, Idaho	Saltonstall
Dominick	Kuchel	Smathers
Douglas	Mansfield	Smith
Eastland	Mechem	Sparkman
Edmondson	Monroney	Stennis
Ellender	Morse	Talmadge
Ervin	Moss	Thurmond
Fong	Mundt	Tower
Gore	Muskie	Walters
Hickenlooper	Pearson	Williams, N.J.
Hill	Prouty	Williams, Del.
Holland	Proxmire	Young, N. Dak.
Johnston	Randolph	Young, Ohio

NOT VOTING—23

Beall	Hruska	McIntyre
Byrd, Va.	Keating	Miller
Dodd	Kennedy	Morton
Engle	Lausche	Nelson
Fulbright	Long, Mo.	Neuberger
Goldwater	Long, La.	Russell
Hartke	McClellan	Simpson
Hayden	McGee	

So Mr. CLARK's amendment was rejected.

Mr. ALLOTT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, I should like to ask the chairman of the committee if he can advise the Senate, so far as he knows, how many more amendments will be offered and whether there are any yea-and-nay votes impending. Does he expect to have a yea-and-nay vote on passage of the bill?

Mr. MAGNUSON. I understand that the Senator from Pennsylvania [Mr. CLARK] has another amendment.

Mr. CLARK. I shall call up my amendment, but I do not intend to ask for a yea-and-nay vote. I shall discuss it for no more than 5 minutes.

Mr. MAGNUSON. The Senator from Ohio [Mr. YOUNG] has an amendment. I have not inquired whether he wishes a yea-and-nay vote on his amendment.

Mr. YOUNG of Ohio. I have been trying for some time to be recognized. I intend to offer a very important amendment, and on it I shall ask for the yeas and nays.

Mr. MAGNUSON. I shall ask for the yeas and nays on passage; therefore Senators can expect at least two more yea-and-nay votes.

Mr. PROXMIRE. I have one amendment to offer, but I shall not ask for a yea-and-nay vote on it.

Mr. ANDERSON. Mr. President, I offer an amendment. I hope the Senator from Washington will listen to the reading of the amendment. I hope it will be accepted, because it carries out the discussion we had with him.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 38, between lines 2 and 3, it is proposed to insert the following new paragraph:

No part of any appropriation made available to the National Aeronautics and Space Administration by this Act for "Research and Development" may be used for the construction of any major facility, the estimated cost of which including collateral equipment, exceeds $250,000, unless (1) a period of thirty days has passed after the receipt by the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of

the Senate of notice of the nature, location, and estimated cost of such facility, or (2) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the construction of such facility.

Mr. ANDERSON. Mr. President, this proposal arose from a discussion in the Committee on Appropriations. The able Senator from Washington [Mr. MAGNUSON] and the able Senator from Colorado [Mr. ALLOTT] were much interested in the transfer of funds for the construction of facilities without any authorization. I thought it was desirable not to require that authorization and promised that I would offer an amendment which would seek to make it possible to require the approval of the committees before the authorization of transfers could be made. If we wish to hurry the process, we can do so. The committees can hold hearings and dispose of the question; otherwise, we would have to issue a directive, as before.

The present law merely provides that if the amount is above $250,000, the committee shall be informed about it. But no authority is given to anyone to do anything about it. This amendment would provide the committees with an opportunity to do something about it, if they desired.

I hope the chairman will accept the amendment and take it to conference.

Mr. MAGNUSON. I have discussed the amendment with the Senator from New Mexico. The language provides a general tightening of the procedure. So far as I am concerned, I will accept the amendment.

Mr. ALLOTT. The amendment is a good one and should be adopted.

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

Mr. ANDERSON. I yield.

Mr. JAVITS. I should like to know how the amendment fits in with a statutory provision in the authorization with respect to the Electronic Research Center, which the Senate has previously considered with respect to the NASA authorization bill.

Mr. ANDERSON. It would have no effect whatever. The committee must be notified about a transfer; and we would be given 30 days to say something about it if we wished to.

Under present law, if the amount involved is more than $250,000, the committee must be notified. If the committee did not like what had been done, neither the House nor the Senate committee could do anything about it. It seems to me to be desirable that if the agency does not like what has been done, it ought to be able to say to the committees that the agency does not approve the proposal, and to hold it for 30 days.

Mr. JAVITS. I call the Senator's attention specifically to a statutory provision in the authorization legislation about an Electronic Research Center:

PUBLIC LAW 88-113, THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1964

Section (h) No part of the funds authorized by this section may be expended for the establishment of an Electronic Research Center unless the Administrator has transmitted to the Committee on Aeronautical and Space Sciences of the Senate and to the Committee on Science and Aeronautics of the House of Representatives a detailed study of the geographic location of, the need for, and the nature of, the proposed Center, and (1) each such committee has transmitted to the Administrator written notice to the effect that such committee has no objection to the establishment of such Center, or (2) forty-five days have passed after the transmittal by the Administrator of such study to those committees.

Will this amendment change what is already in the authorizing legislation on that subject?

Mr. ANDERSON. It will not. The amendment has to do only with facilities which involve training, and activities of that kind.

Mr. JAVITS. It would not in any way affect the particular provision to which I have referred?

Mr. ANDERSON. No.

Mr. JAVITS. New York will try hard to show its entitlement in that regard, just as Boston will, and other places may. I do not want to let any language get into the bill which would change what has already been done.

Mr. ANDERSON. I guarantee the Senator that it will not.

Mr. MAGNUSON. On that particular subject, a committee was appointed.

Mr. JAVITS. That is correct; we are satisfied.

Mr. MAGNUSON. I understand the committee is about to make its report, or will do so at least within the next 10 days.

Mr. JAVITS. I merely wanted to be certain of my understanding.

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

Mr. ANDERSON. I yield.

Mr. McCARTHY. The committee to which the Senator from Washington has referred is to make a survey of possible locations for space research operations, is it not?

Mr. ANDERSON. That committee is not involved in this amendment in any way. That activity is under a separate operation entirely.

Mr. MAGNUSON. That was my understanding.

Mr. ANDERSON. Mr. President, I yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

Mr. YOUNG of Ohio. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 5, line 9, it is proposed to strike out "$64,700,000" and insert in lieu thereof "$17,800,000".

Mr. YOUNG of Ohio. Mr. President, on this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. YOUNG of Ohio. This is an important amendment. I shall try to be brief and to the point.

The other body approved an appropriation of $17,800,000 for research and shelter survey and marking for civil defense purposes—that is, to place the hideous yellow-and-black signs on Government buildings all over the country, thus defacing the buildings.

The Senate Committee on Appropriations has increased this amount to $64,700,000. Therefore, if my amendment shall be adopted, it will prevent $46,900,000 of the taxpayers' money from being absolutely wasted. In any event, no more should be appropriated for this purpose than the amount approved by the other body.

Over the past 12 years, more than $1,300 million of the taxpayers' money has been foolishly wasted on silly civil defense schemes. Today, 18 years after Hiroshima, the United States has no civil defense worthy of the name. Most of what exists consists of absurd plans on paper; the rest is confusion.

Simple arithmetic proves that any shelter program large enough to be meaningful—if such a thing is possible—would cost many billions of dollars. However, civil defense officials follow the bureaucratic rule of keeping first estimates low enough to induce Congress to authorize some colossal lunacy, knowing that they can always get more once a program is born. Many civil defense officials are in Ohio. They are former Democratic officials who are now feeding at the public trough. They are friends of mine. They have good jobs, they sit around doing nothing, waiting for the bomb to drop.

Those favoring a massive fallout shelter building program have estimated that it would cost anywhere from $20 to $200 billion. In their recent book entitled "Strategy for Survival," Thomas L. Morton, dean of the College of Engineers at the University of Arizona, and Donald C. Latham, an electronics researcher, concluded that a national community shelter program would cost in excess of $37 billion.

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

Mr. YOUNG of Ohio. I yield.

Mr. MORSE. I associate myself with the stand taken by the Senator from Ohio. I shall support his amendment. The Civil Defense shelter program is a part of the propaganda drive of the military to frighten the American people, in order to justify further raids by the military on the Treasury of the United States.

If ever there was a boondoggle, this is it. The sad part is that it is also a program of deception. It is about time Congress brought it to a halt.

I am glad my State was the leader in the Nation in bringing to an end support for the so-called civil defense program. The movement started in Portland, Oreg. Other cities have followed suit. At long last, the American people are getting wise to this shocking boondoggle.

I shall support the amendment.

Mr. YOUNG of Ohio. I am happy to have the great and distinguished senior Senator from Oregon associated with me in this effort. I shall be happy to have

him considered as a cosponsor of the amendment.

Only recently the city of Portland, Oreg., voted to abolish its civil defense program, which was costing $110,000 of local funds annually. The Los Angeles City Council slashed $209,000 from its civil defense budget request, reducing the amount to $30,000. The staff was reduced from 26 to 3.

The officials of Baltimore, Md., are considering taking similar action. The city comptroller has called for the outright elimination of the city's civil defense organization. A few weeks ago, Mayor Theodore McKeldin, of Baltimore, stated that he would drastically reduce the budget request for civil defense purposes.

Herman Kahn, one of the foremost proponents of fallout shelters, has estimated that a reasonable program might involve a gradual buildup from about $1 billion annually to somewhere in the neighborhood of $5 billion annually. A recent estimate by Prof. John Ullman, chairman of the Department of Management of Hofstra College, would place the cost as high as $302 billion. Regardless of which of the expert opinions is cited, the price tag would be astronomical. Even then, there is no guarantee that a shelter program will be at all effective. With extensive advances being made in rocket and nuclear technology, it would probably be obsolete before completion. One of the scientists now working on advanced weapons technology is reported to have said: "You ain't seen nothing yet," compared with what is coming into sight in the way of new weapons.

There is the possibility of more deadly types of warfare for which shelters offer no protection whatever—chemical and biological warfare. Any Nation that would unleash a thermonuclear war would probably not hesitate to use other methods equally as terrifying.

Is the Congress prepared to embark on such a vast gamble and to spend perhaps $200 billion of taxpayers' money? Let us have no illusions. In reality this is what the civil defense planners are asking us to do.

Anyone who has taken the trouble to look into the matter is aware of the fact that most building owners have ignored or refused requests to provide shelters, and that ordinary citizens have lost interest. During each crisis the get-rich-quick shelter salesmen appear. As soon as the crisis abates and public interest fades completely, they crawl back under the rocks from whence they came.

Communities throughout the Nation are awakening to the fact that thousands of dollars of taxpayers' money has been spent on foolish programs with no tangible results except for the fact that in many instances livelihoods were provided for ex-politicians and city hall parasites.

Mr. President, there is no shelter building program in Great Britain, France, or in any of the major Western Powers. Reliable observers in the Soviet Union report that there is no fallout shelter program in Russia. Henry Shapiro, dean of the American correspondents in Moscow, wrote:

> No foreigner here has seen any civil defense shelters. The average citizen is unaware of the existence of shelters.

Still, it is proposed that this Nation construct such shelters and stock them with the products of the manufacturers of the country, and let them mold there.

Yet we learn from our observers in the Soviet Union that the people of that nation are being taught first aid procedures and that the civilians should undertake to learn street fighting and fighting from cellar to cellar and block to block. But none of this changes the attitude of the civil defense organization of this country.

Preston Grover of the Associated Press took a similar position when he stated:

> Attachés from embassies who have looked around the country for sign of shelters have found nothing. Foreigners live in many of the newest buildings put up in Moscow, and they have no bomb shelters.

In 1961, the New York Times published a report from Moscow by Harrison Salisbury which stated:

> About 12,000 miles of travel in the Soviet Union by this correspondent in the last 4 weeks failed to turn up evidence of a single Soviet bomb shelter.

Mr. Salisbury, agreeing with Mr. Grover of the Associated Press, said:

> Diplomats, foreign military attachés, and correspondents who have traveled widely in the Soviet Union report that there is no visible evidence of a widespread shelter program.

Mr. President, it is interesting to note that through the uncertain years while this Nation and the Soviet Union were building up our nuclear capacities, no real interest could be stirred up among the general public or in the Congress for any form of civil defense. During that time it is true that over $1 billion was appropriated in piecemeal fashion but not for any really serious or effective plan of action. Actually, we were soothing our consciences "just in case" a nuclear war would come. Year after year we appropriated $75 million or $100 million or $80 million for civil defense purposes, always "just in case." Neither the Eisenhower administration nor the Kennedy administration nor the Congress over the past 12 years has really faced up to this issue. It was always easier to pretend that something was being done. It assuaged the fear of a possible future guilty conscience.

Now we are again being asked to appropriate—in this case, an additional $47 million—"just in case."

It is only human to grasp at straws when faced by an overwhelmingly difficult situation, and in appropriating these funds which gradually began to total a staggering sum. This is what was done. No one in his heart really believed that the civil defense fishnet would be of any protection in a surging sea of nuclear destruction.

Mr. President, when we enter the Senate Office Building, we see a hideous sign, defacing the building—as if in a moment of terror, in the event of a nuclear attack that might burst upon us, any real man would rush into such a shelter, and leave his wife and other loved ones in a suburb in Maryland or Virginia. Even if some coward survived after lurking in a cellar somewhere, waiting for the conquering paratroopers to come, the wrong kind of people would survive to rebuild the world after that devastating attack. But of course, no such thing would occur.

Mr. President, you will recall that in the midst of the Berlin crisis in the summer of 1961, Congress hurriedly appropriated $200 million of hard-earned taxpayers' money for fallout shelters. No American family was made any safer or more secure as a result of that expenditure. It in no way deterred the aggressive acts of the Soviet and Red Chinese dictators. The Cuban crisis over a year ago itself is ample evidence of this fact. In fact, building fallout shelters and stocking them with food and water is only an exercise in defeatist psychology.

General LeMay and others have said that our protection lies in spending money for defensive weapons, rather than in preparing to hide in a hole, waiting for paratroopers to descend.

The Cuban crisis proved that our best—and probably the only—civil defense in this nuclear age is a firm, determined, resolute stand against aggression, such as was taken by President Kennedy in October 1962, plus the nuclear power—which we have—to support it. We would be far wiser to appropriate additional funds for our missile programs, our jet aircraft, and our missile-bearing Polaris submarines than for civil defense schemes that are hopeless at their inception.

Nevertheless, the civil defense planners continue to mesmerize the American public with the illusion that we have an effective defense program. Although the Congress appropriated $208 million in 1961 and an additional $38 million in 1962 for marking and provisioning fallout shelters, when the crisis came most of them could not be found, were not marked, or were unusable. Only a handful were provisioned. Rations and medical kits on which millions of dollars had been spent were still stocked in Federal warehouses and arsenals. Warning systems were inadequate and virtually useless. This is probably not too important, for in event of attack with nuclear warheads there would be, at most, perhaps 10 minutes' warning before the intercontinental ballistic missiles fell on American cities.

We heard about the warning system which was abandoned. An evacuation program was adopted for Cleveland; and under that program, in the event of a nuclear attack, Cleveland residents were supposed to travel by the main highway to Lorain, Ohio. However, at the same time the people of Lorain, Ohio, would, in many cases, be traveling by the same highway the 25 miles to Cleveland. So, in such a moment of terror, the citizens of the two cities would be driving in opposite directions, preventing each other from arriving at the places where they were told to go. What nonsense, Mr. President. Yet $1,300 million was spent on that program.

Mr. President, wherever one turns nowadays, one sees the ugly black-and-yellow civil defense shelter signs. Does any Member of this body believe these signs on public buildings and apartment houses will save any American lives in the terrible event of a nuclear war? Nevertheless, we are being asked to appropriate $50 million additional for more such signs and for more so-called civil defense biscuits to mold and rot in the basements of public buildings throughout the Nation.

Mr. President, this is an important amendment. It is meritorious, and it should be adopted by a yea-and-nay vote of the Senate. The amendment would not remove from the payroll any of the Democratic political hacks in Ohio who are feeding at the public trough—although now are in the process of being succeeded by some Republican, has-been politicians—because Ohio now has a Republican Governor. This amendment would not cause any of those people who are feeding at the public trough—but are doing nothing except sit around, waiting for a bomb to drop—to do anything different; under the amendment, they could continue to sit around and gossip and draw their salaries; but the amendment would do away with the purchase of more of the so-called civil defense biscuits, and would prevent the erection of any more so-called shelters in public buildings throughout the Nation.

Incidentally, I note that in the budget for fiscal year 1964, the average salary for paid civil defense employees will be $9,520 a year, one of the highest in the entire Federal bureaucracy. This is startling information, Mr. President. By comparison, employees of the famous Federal Bureau of Investigation, whom we respect because they are rendering important and needed service would receive average compensation of $8,383, as against an average of $9,520 for the civil defense, has-been politicians who are feeding at the public trough. There is an opportunity to end all that. My amendment would afford the Senate an opportunity to start to put an end to that procedure.

I call to the attention of the Senate the National Aeronautics and Space Administration. Today we have heard a great deal about the work they are doing. I am proud to be a member of the Committee on Aeronautical and Space Sciences. The average salary of the employees of the National Aeronautics and Space Administration is $9,122, as compared with $9,520, which is the average salary paid to civil defense employees, many of whom are ex-politicians.

All Senators know that the Small Business Administration is a good organization which renders service to the people of our country. The average pay of the employees of the Small Business Administration is $7,509. I ask Senators to compare that salary with the $9,520 paid to employees of the Civil Defense Agency.

I cite those figures because I believe it is high time that we call a halt to the extravagance we are witnessing. It is not merely waste, but a throwing away of the taxpayers' money.

I started speaking out against this boondoggle back in 1959, when I was a new Member of the Senate. At the start my efforts constituted a lone fight. I am trying to make a sensible argument that my amendment is worthy of serious consideration and should be adopted. I do not suppose it will be, but it should be.

The average salary of the employees of practically every Government agency and bureau into which I have looked is considerably less than that of the employees of the Civil Defense Agency. It is difficult to find another agency in the Federal Government in which so many have done so little to earn so much or to receive so much, because they did not earn it.

Mr. President, before we appropriate additional millions of dollars of the taxpayers' money to continue this boundless boondoggle, I urge that we take a good hard look at what these expenditures will accomplish. I also urge that the administration review its entire civil defense policy.

It gives me no pleasure whatever to oppose an administration program. We hear talk about spending millions of dollars for insurance. We all believe in insurance protection, but when the prospect of any necessity for that risk is so fantastically unlikely and out of the question, then it is merely a waste of money. Let us put an end to wasting more of the taxpayers' money on ridiculous holes in the ground, and on ugly yellow-and-black signs on beautiful public buildings, on apartment buildings, and on business buildings in the cities of our Nation, and in patronizing huge companies to help them get rid of their so-called survival biscuits.

I have seriously offered my amendment. It would reduce the amount of the committee's recommendation for shelter survey, and for marking from $64,700,000 to $17,800,000, which is the amount approved by the House of Representatives. I seriously offer the amendment. I hope that Senators will grasp this opportunity to start to put an end to this utter folly of throwing away money on the program. Our allies, Canada, France, and England, will have none of it. Our enemy, the Soviet Union, does not have a shelter program within its borders. The Soviet Union has a program, but Senators know what the program is. It might be called first aid when one is injured. It is designed to teach civilians in the Soviet Union to fight from house to house and from cellar to cellar, to defend themselves and not to crawl into a cellar in a building, leaving their wives and children out in the suburbs somewhere, and grovel down in the cellar waiting for the nuclear bomb to explode.

Mr. President, I shall not take any more time. I have presented a meritorious amendment, which I hope very much will be adopted by a vote of the Senate.

Mr. MAGNUSON. Mr. President, the Senate will vote in a moment.

I commend the Senator from Ohio for his conscientious survey of the program at all times. The Senator from Ohio was largely responsible for the Senate committee not approving a vast shelter program which was proposed 2 years ago. Because of many of the things that I and others pointed out, the program was shifted from the old civil defense organization to the Defense Department. Then we told the Army Engineers to survey the United States and find out where possible shelter sites might exist throughout the country. The Army did so. They have almost completed the program. I believe they have only a little updating to do. The Army has found that existing structures could accommodate 70 million spaces.

The Senator from Ohio might observe that the term is "spaces."

Nevertheless, we did take that action. Those spaces are in fire departments, schoolhouses, large downtown buildings and large communities, urban centers, and in small towns, too.

As the Senator will recall, last year we approved the expenditure of money to begin to stock those spaces. The items included some biscuits, but I call attention to the fact that they also have provided mobile hospitals and caretakers, who have, incidentally, served without salary, and the communities have all those facilities if something should happen.

The amount provided in this bill would finish the equipment of the spaces and shelters that have been surveyed by the Army Engineers and would adequately stock them.

We went into the question of how the shelters would be stocked and all related questions. That also involved a great deal of volunteer work. The people in the cities of my home State, in the city of Birmingham, in cities in South Carolina and other States, joined with those making the survey and furnished that help, too, to provide facilities in case something should happen. Preparations would include the bringing in of mobile hospitals.

The money provided in the bill would merely finish the stocking process. The amount needed a year from now, unless we go into some other shelter program, would be very little.

The Bureau of the Budget in the present case requested $264 million. We have recommended $64 million to finish the job, which is $200 million under the budget figure.

The only other civil defense program in which we have engaged is in relation to new Federal buildings. I am amazed that Senators have not asked me about them, because they are all listed. We have allowed a small amount, in addition to the original construction plans, to permit some flexibility so that General Services might provide foundations in new Federal buildings that would serve as suitable shelters and would be a part of the shelter program.

The Senator from Ohio has not talked in vain about this over the years, because otherwise we might have embarked upon a big shelter program which would have involved billions of dollars. We have not done so.

We will finish this program. The committee added a little in the bill for mobile hospitals. The goal is 2,160. There are

now about 1,700. These are quite valuable for any disasters or emergencies in local areas.

I hope the Senate will approve of the completion of the program which, in my opinion, is somewhat modest compared with the original plans for civil defense.

Mr. YOUNG of Ohio. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Ohio has 8 minutes remaining.

Mr. YOUNG of Ohio. Mr. President, I yield the remainder of my time to the distinguished Senator from Alaska [Mr. GRUENING].

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. GRUENING. Mr. President, first I congratulate the Senator from Ohio for his persistent, sound campaign to eliminate the worst boondoggle in the history of the United States, the so-called civil shelter program, which will not shelter anybody.

I also congratulate the Senator in charge of the appropriation bill, the chairman of the subcommittee [Mr. MAGNUSON], for his very temperate and unenthusiastic presentation in behalf of the proposal. No one could have presented a more tepid support for it, and I thank him for that.

I believe it would be fantastic for us to add $46 million to the $17 million which the House approved. It would be sheer waste. Not only would it be sheer waste, but also would be fraud and deception on the American people.

If a nuclear bomb were to be dropped, the entire program would be of no value. All it does is delude some people into believing that somehow they will be protected. That is absolute nonsense, and we all know it.

I hope we shall have the "guts" and commonsense to cut this appropriation and to vote for the Young amendment.

This is a way for Senators who are in favor of economy to show they mean what they say. We all talk in favor of economy. I do not know a single proposal with respect to which we could more clearly demonstrate our desire for economy and to save the taxpayers' money. We should vote for the amendment of the Senator from Ohio [Mr. YOUNG] and save $46 million which otherwise will be squandered.

Mr. YOUNG of Ohio. Mr. President, does the Senator from Washington yield back his remaining time?

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time.

Mr. YOUNG of Ohio. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. YOUNG]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG] the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Wyoming [Mr. MCGEE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Wisconsin [Mr. NELSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

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

I also announce that the Senator from Connecticut [Mr. DODD] is absent because of death in family.

I further announce that, if present and voting the Senator from Massachusetts [Mr. KENNEDY], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. MCINTYRE], and the Senator from Wisconsin [Mr. NELSON] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Connecticut would vote "nay."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent because of a death in his family.

The Senator from Iowa [Mr. MILLER] and the Senator from Wyoming [Mr. SIMPSON] are absent on official business.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

Also the Senator from New York [Mr. KEATING] and the Senator from Maryland [Mr. BEALL] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is detained on official business.

If present and voting, the Senator from New York [Mr. KEATING] and the Senator from Kentucky [Mr. MORTON] would each vote "nay."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Maryland would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON], is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 28, nays 48, as follows:

[No. 248 Leg.]

YEAS—28

Bennett	Gruening	Robertson
Boggs	Hickenlooper	Smathers
Carlson	Jordan, N.C.	Talmadge
Church	Jordan, Idaho	Thurmond
Clark	McGovern	Tower
Curtis	Mechem	Walters
Douglas	Morse	Williams, Del.
Edmondson	Mundt	Young, Ohio
Ervin	Pearson	
Gore	Randolph	

NAYS—48

Aiken	Bible	Case
Allott	Brewster	Cotton
Anderson	Burdick	Dirksen
Bartlett	Byrd, W. Va.	Dominick
Bayh	Cannon	Eastland
Ellender	Magnuson	Proxmire
Fong	Mansfield	Ribicoff
Hart	McCarthy	Saltonstall
Hill	McNamara	Scott
Holland	Metcalf	Smith
Humphrey	Monroney	Sparkman
Inouye	Moss	Stennis
Jackson	Muskie	Symington
Javits	Pastore	Williams, N.J.
Johnston	Pell	Yarborough
Kuchel	Prouty	Young, N. Dak.

NOT VOTING—24

Beall	Hayden	McGee
Byrd, Va.	Hruska	McIntyre
Cooper	Keating	Miller
Dodd	Kennedy	Morton
Engle	Lausche	Nelson
Fulbright	Long, Mo.	Neuberger
Goldwater	Long, La.	Russell
Hartke	McClellan	Simpson

So the amendment of Mr. YOUNG of Ohio was rejected.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ALLOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROXMIRE. Mr. President, I call up my amendment No. 322, and ask that the reading of the amendment be dispensed with. I am not asking for a yea-and-nay vote. I shall not take the allotted time on the amendment.

First, I ask unanimous consent that the reading of the amendment be dispensed with, and that it be printed in the RECORD.

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

The amendment offered by Mr. PROXMIRE is as follows:

On page 11, line 25, change "$535,000,000" to "$515,775,000" and add the following: "That total costs of aviation medicine, including equipment for the Federal Aviation Agency, whether provided in the foregoing appropriation or elsewhere in this Act, shall not exceed $5,100,000 or include in excess of fifteen positions: *Provided further,*".

On page 13, line 19, change "$45,000,000" to "$35,000,000".

On page 14, line 3, change "$3,663,000" to "$3,500,000".

On page 14, line 12, change "$4,045,000" to "$3,810,000".

Mr. PROXMIRE. Mr. President, the amendment would cut back the appropriation for the Federal Aviation Agency to the House level. It would save a little more than $30 million.

Federal subsidies and services for the aviation industry have grown about as rapidly in the last 7 or 8 years as any subsidy the Federal Government has. In 1957 the Federal subsidies to aviation amounted to about $220 million. In 7 years they have soared so that this year budget requests for 1964 are $885 million.

When the House made this cutback, it stated, and I am reading from the House report:

The committee recommends $515,775,000 to operate the national system of air traffic control and other facilities and programs of the FAA, which is an increase of $26,845,000 over 1963 and $29,725,000 less than the budget estimate. The Administrator has done an excellent job, and his job is a most difficult one. The committee thinks this amount will enable him to continue to do an excellent job. There is no desire to restrict essential activities or endanger

safety, but this Agency consistently has received substantial increases in recent years and it is now time to level off. About 9,700 jobs have been added to FAA in the last 3 years, and the number has almost doubled in the last 5 years.

One of the Agency's greatest budgetary problems has been annualization of new positions. The committee has frowned on this practice and urged agencies not to indulge in it, but FAA proposed to annualize 2,700 jobs in its 1964 program. Only part of such costs are allowed and if budget increases are again sought for such purpose the committee does not intend to approve them. Pay increases account for approximately $18 million of the increase the committee is recommending over 1963, and 342 positions funded last year by the Department of Defense for the Aircraft Movement Information Service are being transferred to FAA in 1964 at a cost of $3,518,000.

The committee suggests that the Administrator give further study to the locations of flight service stations. It appears that there are too many and that they are too expensive, but it realizes he has problems in trying to close some of them, although substantial savings would result.

The committee also notes that there are still too many employees in the District of Columbia that should be in the field, and upholds the Administrator's hand in making transfers to the field. It also urges that the total number of employees be reduced whenever and wherever possible. Experience and training should improve the efficiency of the organization and training and efficiency increase should permit a reduction in personnel.

The bill includes the same limitation on total expenses for aviation medicine as in 1963. The FAA in the past year violated the terms of the limitation in that it had 381 jobs and the limitation was 315, and it spent $6,074,500 and the limitation was $5,100,000. The limitation is on total costs and total is to include everything. The committee is of the opinion the Agency clearly misunderstood the limitation and did not intend to violate it.

I have discussed this particular provision with the distinguished Senator from Oklahoma [Mr. MONRONEY]. Because of his protest of what this would do, I modify my amendment to provide, on line 6, in lieu of "15" the figure "381", which is the number of positions FAA has. Thus there would be no cutback in personnel, but there would be no increase.

The PRESIDING OFFICER. The Senator may modify his amendment.

Mr. PROXMIRE. The FAA has nearly doubled its total personnel during the last 5 years. However, they have requested an additional 1,030 personnel for fiscal year 1964. In my opinion, a restriction on additional personnel would enforce economies in the use of this personnel within the Agency. Without such a restriction, I do not believe that this rapidly growing agency will ever be contained.

The FAA is now reaching a position where it has a ratio of personnel of one employee for each two active civil aircraft. This would mean that if the owner of each of these aircraft were footing the bill for FAA's services, the average tax per aircraft would be $6,350. Does the flying industry really need this much service from this agency?

One specific example is enough to indicate the rapid and inefficient growth of the personnel. In 1948 the Air Traffic Control Center in Chicago had 29 people. In 1963 it has between 450 and 500 people. Obviously, traffic requirements have increased during this period. On the other hand, we have heard a lot about increases in mechanical devices such as radar which should ease the pressures on personnel. Clearly traffic has not increased by 200 percent or more in this period of time.

The FAA has argued that innumerable facilities would have to be shut down if funds were not available for additional manpower. However, the Agency had an authorization for 554 more positions than it filled in fiscal 1963. This is not surprising if an examination is made of the number of facilities operated by FAA. The number of air traffic centers is virtually the same as in 1952. It has not increased. The number of towers has grown only by 50. The number of combined station towers has increased only by 33 and the number of flight service stations has decreased by 80. These are changes which have occurred since 1952.

The FAA has purchased a substantial amount of new equipment. The justification given at the time that funds were requested for these purchases was that they would reduce the number of personnel necessary. Yet personnel has consistently risen.

In a recent speech the FAA Administrator, Najeeb Halaby, has indicated that additional personnel are not needed, even though they have been requested in the budget. In addressing the Air Traffic Control Association in Dallas in October of this year, Mr. Halaby stated:

> The days of billowing expansion are over. In most places we have arrived at the point where adding more men will not improve the quality or capacity of our system.

The FAA plans to employ some 57,000 people. It is important to recognize that if this number were reduced it would not require any cutback on current services. The Agency's strength at the present time is only approaching 47,000 people. It is fantastic to assume that such substantial increases in the near future are necessary after all of the growth which has occurred in this Agency during recent years.

However, the case against other parts of the FAA budget is even more damaging. One of the worst areas of wasteful expenditures is in research and development. During the first 5 years of the FAA, Congress has appropriated approximately $250 million for research and development. However, there have been no real results to date from this tremendous expenditure of funds. The House recognized this inadequacy in its report and cut back the research and development funds from $50 to $35 million. I think even further cuts would probably be appropriate until such time as the FAA can indicate that a well-organized and potentially fruitful research program is underway.

Where are the alleged results from this tremendous expenditure of funds over the last 5 years?

The Aircraft Owners and Pilots Association has recommended a 36-percent reduction in the FAA budget. Mr. Halaby has contended that this would "roll back the level of service the FAA provides to the early 1950's."

Let us look at the figures. The FAA asked for $210,359,000 for traffic management and $222,962,000 for facilities maintenance. AOPA has recommended that these figures be $170 and $180 million respectively. The amounts recommended by AOPA would provide more money than was authorized in 1962 and more money than was actually used in fiscal year 1963.

The figures on increases in air traffic simply do not support the increases in expenditures being requested by FAA. For example, between fiscal years 1962 and 1963 aircraft operations rose only 6 percent. Instrument operations at towers rose 2 percent. The number of IFR aircraft handled at air traffic centers showed no change. The number of instrument departures increased only 1 percent. The number of instrument flights over radio stations dropped by 1 percent and the number of instrument approaches dropped by 4 percent. At flight service stations there was a 7-percent increase in contacts, and a 4-percent gain in the use of flight plans. Yet the FAA has requested a 10-percent increase for air traffic service operations and maintenance.

One of the areas in which tremendous amounts have been spent is in all-weather landings. However, we are no closer to a solution in this area than we were 5 years ago, with the exception of some innovations which we have obtained from work done in England.

Two of the areas in which extensive research has been conducted have now been abandoned. We heard a great deal for several years about data processing techniques for all flights throughout the country. This research project has now been abandoned. An additional substantial amount of funds was spent for so-called three-dimensional radar. The FAA Administrator has now indicated that this project too has been abandoned. So where are the results of our $250 million expenditures in the past? Any reasonable research program should be able to point to some results with this expenditure of funds over a period as long as 5 years.

The waste in the research and development area is actually twofold. According to the Airways Modernization Act of 1956 and the precedential derivatives which accompanied that act, most flight research previously conducted by the military was taken over by the FAA. The FAA has not yielded any results in these fields. We should be sure, therefore, that our Military Establishment is continuing with its own flight research independently of the FAA. It may well be more reasonable for the FAA to have no research funds and simply to acquire its technological gains from the military. I am not providing for that in my amendment. I am providing for a cut.

Another general area of criticism of the FAA can be made with respect to weather research. A continuing effort has been made by the FAA to take over weather research from the Weather Bureau. Clearly the FAA has no partic-

ular competence in this field except as it draws upon the Weather Bureau. I see absolutely no reason why there should be duplication of weather research by both the FAA and the Weather Bureau. This area of expenditure should be eliminated entirely.

The present duplication in the provision of weather information between both the FAA and the Weather Bureau may well have been a contributing factor in some recent air crashes. For example, in the Eastern Airlines crash at National Airport almost exactly a year ago on November 30, 1963, the CAB in its analysis of that crash stated the following:

> The Board determined the probable cause of this accident was the technique employed by the crew during abandonment of the approach under fog conditions not adequately reported.

The first recommendation of the CAB in this case was that "the air traffic control procedures require the transmission of all operationally significant weather information in terminal areas to approaching aircraft." In this case weather information was provided only by the FAA to the approaching aircraft even though better information was available from the Weather Bureau located on the field.

Another field of research which has been promoted by the FAA is medical research. Here the FAA has not only impinged upon research that should more appropriately be conducted by others, but it has also violated injunctions explicitly given to it by the Appropriations Committee. In fiscal year 1963 a ceiling was placed on FAA medical research of $5,100,000 and 315 positions. FAA exceeded the appropriation by nearly a million dollars and exceeded the personnel ceiling by 66 positions.

In the first place the FAA has done a considerable amount of basic research in the medical field that should have and, in fact, is being done by others more effectively. A good example of this is their research in the field of the aging process. A substantial amount of research in many of these fields is being done at NIH and I see no reason why funds should be duplicated for research by agencies such as FAA which are less competent.

In the second place the argument may be used that there is appropriate medical research to be done in the field of human flight. However, very extensive research in this field has already been done both by the Air Force and the Navy. It seems incredible to me that apparently the FAA has not even attempted to compare any of its results to date with those obtained over a long period of time by the Air Force and the Navy. Again, this is simply not an appropriate area of examination for the FAA to be spending funds on.

There are only two other sections of the bill, which my amendment covers, and I can speak of them very briefly. One would cut the appropriation for the Washington National Airport by less than $200,000, down to the House figure. The other provision refers to Dulles Airport, and that appropriation would be cut by little more than $200,000, back to the House figure. The justification for the cuts are contained in the House report as follows:

> Washington National Airport: The budget estimates proposed consolidated funding of the two airports in the Greater Washington area. The committee continues to recommend separate funding and has included in the bill $3,500,000 for operation and maintenance expenses of Washington National Airport. This is $163,000 less than the budget estimate and provides for continuing the present employment level. The bill also provides $2,075,000 for construction at the airport, including $1,938,000 to light the centerline and strengthen the main runway, and $137,000 for parking lot lighting and expansion.
>
> Dulles International Airport: The bill includes $3,810,000 for operation and maintenance of this airport. This is a reduction of $527,000 in the budget estimate. It allows for 396 positions, which is 44 more than 1963 and one-half the increase requested. The workload does not appear to warrant more than the number the committee has approved.
>
> The committee has reduced the request for facilities improvement from $2,241,000 to $450,000. The bill includes $398,000 to expand auto parking facilities and $54,000 to make minor modifications to a utility building, but does not include the $1,728,000 requested for seven additional mobile lounges. The price for these additional vehicles is too high. A sizable part of the price of those the FAA has purchased included costs of initial development and testing. Now the cost ought to be reduced. Instead, the contractor wants to increase the price. If the cost cannot be reduced by a substantial amount, namely one-third to one-fourth, then the committee urges the Administrator to give consideration to changing contractors or buying a less expensive vehicle for future needs.

I hope that on a voice vote there will be substantial support for the amendment. I will not ask for a yea-and-nay vote.

Mr. MAGNUSON. Mr. President, if I had more time this evening I would like to correct the RECORD on research by FAA. I thoroughly disagree with the Senator's conclusion with respect to that point. However, I wish to yield such time as he may require to the Senator from Oklahoma [Mr. MONRONEY], who is probably the most knowledgeable man in this field, either in the Commerce Committee or on the Subcommittee on Appropriations which handled the bill.

The Senator from Wisconsin has one point in his speech, but I do not know whether it is valid enough for the Senate to support it. However, I repeat that the pending bill as reported to the Senate is $1,263 million under the budget. Even better than that, there is no agency in the entire bill with respect to which we have allowed an increase in employment. Parkinson ought to write a chapter about that.

Mr. DIRKSEN. I will tell him about it.

Mr. MAGNUSON. Yes. FAA is the one exception. We have specifically given it an amount of money which we believe is needed to increase the number of employees needed to man the towers which are now being constructed. That is for safety reasons.

That is the only exception. I believe it is the first time in the Senate that a bill has been reported to the Senate which has not allowed an increase in employment, with only one exception, to which the Senator has referred. This deals with the safety of aviation.

Mr. MONRONEY. Mr. President, the distinguished Senator from Wisconsin would cut at the vital part of our air safety program in his effort to reduce the amount provided in the bill by some $33 million.

In the first place, the operations expenses for men and maintenance are a vital part of our entire air traffic control system. As much as I respect and honor the Aircraft Owners and Pilots Associations, they are talking about single-motor private planes generally.

A few are twin-motored business planes. Statistics will show that the scheduled airlines of America today carry more people than all the intercity railroads and buses combined carry. The gigantic, 150-passenger jets, flying at almost the speed of sound, and other fast aircraft that fill the air arrive at the major airports, in a ½-minute to 1-minute landing sequence. So there is a real need for the air traffic control system.

Much of the single-motored aircraft traffic can be taken care of, and is taken care of, at the small, lightly used airports, where air traffic controllers are not so necessary; and where the traffic control pattern is not operated by radar or on a 24-hour basis.

In order to try to compress the expansion of this amount for operations and man and make usable the $77 million worth of new equipment that is ready to go into the system, the Committee on Appropriations sweated and strained to try to allocate funds to make this system operational.

Many of the things that have been urged by Congress upon the FAA to be included in the system, to make it more reliable and safer, at a cost of $77 million are now ready for operation. It will be necessary to operate this new equipment generally around the clock, on a three-shirt basis. The manning of this equipment will require 945 more men. The equipment includes 8 long-range radars, 13 radar bright-display equipments, 19 remote air-ground peripheral communications circuits, 2 air traffic control towers, 5 separation of combined station-tower facilities, and much other expensive equipment requiring operation, operators, and maintenance.

The committee has tried to make it possible to operate this equipment. In order to do so, and at the suggestion of the FAA, we cut by $10 million the funds for the establishment of new facilities and other things that are desired. But the equipment that we are now buying, we want to make operational. So $10 million of the $20 million cut Senator PROXMIRE is trying to make is a transfer from one account, "new facilities," to "operations."

On behalf of those other items, it is necessary for FAA to absorb 342 people that have been paid by the Air Force and who operate the Aircraft Movement Information Service. Formerly under the Air Force, they have been transferred to FAA.

We are trying to establish one system of air traffic control. We have absorbed

352 military persons, and it is necessary to pay for them. So this brings us out to about $10 million added cost. Further, $9 million is included for a pay raise increase already voted. Then two items alone account for $19 million.

Other items require staffing, maintenance, and servicing of the facilities.

I feel that in order properly to operate the system, which involves more than a billion dollars' worth of equipment, it had better be well staffed and well manned. That is why we will need the $20 million added to the bill, an amount which the Senator from Wisconsin would eliminate.

The item for research facilities deals not only with airframes; it deals also with the entire air traffic control system—such things as radar. Three-dimentional radar did not work—radar bright-display equipment, new coding-in on sequence reporting by transponders, gives three-dimension information in another way, but needs some more men to operate.

So it is necessary to go forward with research. Raising the amount from $35 million to a $45 million level leaves us a smaller amount than was spent last year. A total of $60 million was spent last year on research, in an effort to bring about a more modern and better air traffic control system.

When the Senator from Wisconsin talks about a 57,000-man ceiling, he is misinformed. The new ceiling is 47,000 men. This is what the FAA is holding the system to, regardless of new hiring developments.

As to the demands of air traffic control and related research, the research has included $35 million or $45 million a year on radar, on the effectiveness of motors on airframes and in dozens of mechanical items.

But the human being is the most important factor. On the man up front depend all of the lives in the aircraft. They depend on his prime health, his reaction speed, his emotional stability, his nerves, his freedom from stomach disorders, and so forth. The research even includes the effect of tranquilizing drugs and various other types of medicine, including cold serums. These things must be done to insure the functioning of airmen. They are not duplicated by any other research.

The committee held hearings over many years to ascertain from the military, the Navy, and the Air Force what their research disclosed that would be useful to civil aviation. This was long before the FAA established a medical research center. Most of the problems studied by these organizations had little bearing on airline flying.

Now we are confronted with an amendment which seeks to eliminate a small expansion of this research by 27 persons. The FAA did not violate the House directive, because they stayed within the 315-job limit in the medical records and research programs.

I see a need to have adequate medical service and research. The bill provides a minimum of 100 men now engaged and will increase it 127, including caretakers, janitors, and others who perform custodial laboratory services.

It would be a very serious blow to the safety and security of our greatest air transportation system, one that operates worldwide and carries more traffic than any other public transportation, except automobiles to so seriously reduce so many items as asked by this amendment.

Mr. President, I ask that the amendment be rejected.

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was rejected.

Mr. MAGNUSON. Mr. President, I understand that the Senator from Minnesota wished to ask a few questions of the Senator from Florida [Mr. HOLLAND]. I do not observe the Senator from Minnesota in the Chamber.

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 of the amendments and the third reading of the bill.

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

The bill was read the third time.

Mr. MAGNUSON. Mr. President, on the passage of the bill, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I wish to take a moment of the time of the Senate to ask a question of the distinguished senior Senator from Florida [Mr. HOLLAND] about an item on page 45 of the independent offices appropriations bill, in lines 16 through 19. It relates to the Veterans' Administration hospital at Bay Pines, Fla.

Does the Senator from Florida believe that language in any way conflicts with section 5001(c) and section 5002 of title 38, United States Code?

Section 5001(c) relates to hospital and domiciliary facilities, and reads as follows:

> (c) The location of each hospital or domiciliary and its nature (whether for domiciliary care or the treatment of tuberculosis, neuropsychiatric cases, or general medical and surgical cases) shall be within the discretion of the Administrator, subject to the approval of the President.

Section 5002 relates to construction and repair of buildings and it reads as follows:

> The construction of new hospitals, domiciliaries and outpatient dispensary facilities, or the replacement, extension, alteration, remodeling, or repair of all such facilities shall be done in such manner as the President may determine.

I ask this question only because I do not wish to see the Independent Offices bill establish a precedent that would violate these two subchapters and the section to which I have referred.

Mr. HOLLAND. Mr. President, I appreciate the question and I appreciate the Senator's concern. It was I who asked the committee to insert in the bill the provision referred to which relates to the hospital at Bay Pines, Fla. The provision is as follows:

> *Provided further,* That $1,722,000 shall be used for the sites and planning expenses involved in the construction of a Veterans' Administration hospital at Bay Pines, Florida.

I certainly have no intent to disturb the customary course of procedure under law whereby Congress has, by prior legislation, charged the Administrator of the Veterans' Administration, subject only to the approval of the President, with great responsibility in the matter of locating hospitals and domiciliary facilities. I should like the RECORD to show, in the case of Bay Pines Hospital, that I believe that procedure has been followed completely.

The hospital was established under such an order many years ago, in the early 1920's, I believe. I know something about the Bay Pines Hospital because in the early 1920's I was a service officer in my local American Legion post and was frequently in that hospital during that time. It is also close to my home.

In 1958, in the independent offices appropriations bill for fiscal year 1959, acting upon the budget submitted by the Veterans' Administration and the President, Congress included within a blanket appropriation, funds in the amount of $1,722,000 for planning and engineering services, and so forth, in connection with an addition to the hospital.

The purpose of the committee amendment is simply to follow precedent in this matter. We requested our able staff to look up the precedent. We found a number of precedents directly applicable to this kind of situation in which the intent of Congress is merely to insist upon the continuity and the stability of the recommendations made by the Administrator and supported by the President.

That appropriation of $1,722,000 has been available since 1958. It has been mentioned in the reports of both House and Senate Appropriations Committees heretofore. The committees have been exceedingly concerned with regard to this matter.

We are told by the Veterans' Affairs Department of the State of Florida that something like 1,100 veterans in serious condition are hospitalized in veterans' hospitals outside the State of Florida, some at distances of 1,000 miles or more; furthermore, we are told that there is a long waiting list at each of the hospitals, both within our State and at those outside our State which accept patients from our State. We have been anxious for a good long time to have this additional wing constructed at Bay Pines.

Last year the committee included in its report to the Senate the following statement beginning on page 21:

> The committee approves the recommendation of the House Appropriations Committee relative to the earmarking of funds heretofore appropriated for the veterans' hospital at Bay Pines, Fla. The committee further recommends to the Administrator of the Veterans' Administration that technical services contracts for the new construction at Bay Pines be let no later than during calendar year 1963 because of the critical shortage of beds in Florida Veterans' Administration hospitals, as shown by the long waiting lists at Bay Pines and other Florida hospitals, and the fact that approximately

900 Florida neuropsychiatric veterans are hospitalized outside of Florida and remote from their homes.

The House committee report contained comparable language.

This year, upon inquiry, we found that nothing had been done. Our directions last year were that the money be used for the necessary engineering to move ahead with that very much needed project in calendar year 1963. We found however that the Administrator did not intend to go ahead.

The Administrator has been good to us in Florida in many ways. I have great respect for him, but in this particular case, and as to this particular hospital, located in an area in which there are a million and a half people and an excess number of veterans over the capacity of Bay Pines Hospital, we felt that his ideas have not been in accord with the best service to veterans in that area. So when this year we found that he was not proceeding, we asked him, when he appeared before the committee, as to what his intentions were. He said he would feel bound to proceed if we placed in the bill what amounted to a mandate for him to go ahead with the planning.

The colloquy between the Administrator and myself at the hearing will be found at page 2197 of the hearings of this year.

So this year the committee included the following statement in its report on page 23:

The record of the hearings before the subcommittee includes correspondence from the Florida Council of 100 with most cogent reasons for proceeding at long last with the architectural and engineering work relating to the expansion of the Veterans' Administration hospital at Bay Pines, Fla.

Data submitted to the committee from the State of Florida, Department of Veterans' Affairs, reveals that as of July 19, 1963, there were 152 veterans on the waiting list for the VA hospital at Lake City, Fla.; 587 veterans were on the waiting list for the veterans hospital at Bay Pines; 645 veterans were on the waiting list of the VA hospital at Coral Gables—in all a total of 1,384, all of whom had been found eligible. In addition, the information provided reveals that 1,098 Florida veterans were hospitalized outside the State of Florida by the Veterans' Administration and that a total of 395 Florida veterans were awaiting hospitalization outside the State in VA hospitals.

The Administrator's testimony before the subcommittee indicated a reluctance to proceed with site and planning expenses for this project even though it was authorized and funded some years ago in the absence of a clear-cut statement in the form of appropriate wording in the bill. The committee has therefore recommended the following language be included in the bill: ": *Provided further*, That $1,722,000 shall be used for the sites and planning expenses involved in the construction of a Veterans' Administration hospital at Bay Pines, Florida."

The Administrator has been courteous. He has been cooperative as to every other hospital in our State. We have no complaint except in the one instance of which I have spoken. At any rate, the fact that the project has been authorized for a long time is so shown by the budget submitted yearly by the Veterans' Administration. For many years the budget has carried an item for Bay Pines, which has already been partly appropriated for. and which the budget shows will require eventually an appropriation of $12 million. I point this item out to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I see.

Mr. HOLLAND. In the budget presentation, the item is carried under the heading, "Construction of hospital and domiciliary facilities—Schedule of projects not under construction as of 6-30-62—Includes only those projects costing in excess of $25,000 each for which a portion or all of the funds have been appropriated or are being requested in this submission."

So there is nothing irregular about the procedure.

To the contrary, if the distinguished Senator will look at the bill, he will find that the sentence immediately prior to the one about which he is asking relates to a somewhat similar situation handled in former years by our committee in almost that identical way.

We do not wish to depart from that precedent. We have carefully abstained from doing so. But we do desire that the Administrator know that the Congress has some responsibility in the matter, and that the Congress in supplying the funds, upon requests made by the Administrator and approved by the President, expects diligence to be used, and we want continuity and stability in the program.

Mr. President, I have tried to be responsive. I hope I have not been too long. But we have as much interest in the Veterans' Administration as anyone else. We have as much respect for it. Every year we are getting tens of thousands of additional veterans in Florida, particularly those who need a salubrious climate and perhaps hospitalization a little later. As specified by the Administrator himself, he considers the hospital to be the best veterans' hospital in the country. He has said that if he had to be sick and go to a hospital, there is where he would wish to go. It is located on a 700-acre plot, with a vast space available for extension, looking out over the Gulf of Mexico, and almost priceles now because, from the standpoint of residential development in the St. Petersburg area, it is about the only undeveloped area remaining.

So we believe that the project should move ahead. In all kindness we are insisting upon it. The committee rather reluctantly—because it, too, has exactly the same feeling that the Senator from Minnesota has voiced and exactly the same feeling that the Senator from Florida has expressed. But the project is one that should move. Therefore we put that item into the bill.

Mr. HUMPHREY. I should like my friend, the Senator from Florida, to know that the only reason I raised the question is that I did not wish future Congresses to look upon this particular case as a precedent or as a violation of what is in the public law.

I believe the Senator's explanation is exceedingly helpful and most satisfactory. I thank him very much.

Mr. HOLLAND. I thank my friend for his understanding. I know of his closeness to the Administrator. I hope he will tell him that we are very fond of him in our State. He has done many good things for us. We hope he will never have to go to our hospital, although he says he would prefer to go there than to any other in his jurisdiction, if ever he has to. We like him, but we want him to go ahead with the extension of this hospital, which is so badly needed in the area.

Mr. KUCHEL. Mr. President, in connection with the Federal Power Commission appropriation, I note that the House had voted an increase of $770,000 over the fiscal year 1963 appropriation. The House report stated that their figure of $11,750,000 for salaries and expenses would provide for the cost of pay increases in 1964 and for 12 new positions. During the hearings before the Senate Appropriations Subcommittee on Independent Offices it was made clear by the FPC that in fact they would have to reduce their present personnel force if the House figure prevailed.

I am very much aware of the excellent job the FPC is doing in establishing rates and in their other regulatory work with large power companies in California and elsewhere, and I do not believe that their present personnel level should be cut back. I have checked the figures and find that the Federal Power Commission increased their personnel by 202 in fiscal year 1963 to a level of 1,150 employees. The FPC also increased their personnel during fiscal years 1961 and 1962. I am gratified that the Senate Committee on Appropriations has added $200,000 to the House figure for salaries for fiscal year 1964, and I wish to emphasize that this is the absolute minimum total figure, which is $11,950,000, to keep FPC effective during this fiscal year. In fact, Commissioner Swidler testified that he would need an addition to the House figure of $490,000 rather than $200,000 to hold his present personnel level. It may be that with one-half of the fiscal year gone, the extra $200,000 will suffice. I wish to emphasize that this Senate figure is not one for bargaining, but represents the absolute minimum, if not somewhat below the minimum, that FPC can accept and still do its excellent work at its current level of effectiveness.

Mr. INOUYE. Mr. President, during the past 11 months I have joined with my Senate colleagues in making many crucial decisions which affect the welfare and future of this Nation.

Few of those decisions, however, were as vital to our future as the one we face this week on the independent offices appropriations bill. I refer specifically to the Senate Appropriations Committee recommendation that we include a $46.7 million appropriation to complete the stocking of shelter areas found in the recently completed Defense Department survey.

I have no idle interest in this subject. For the past few months I have been in frequent communication with the office of Mr. Steuart L. Pittman, Assistant Secretary of Defense, on the subject of civil defense fallout shelters.

I have thoroughly studied quantities of information supplied at my request by Mr. Pittman's office. This information ranged from estimates of lives which might be saved by an adequate shelter program to national surveys to sample

the country's psychological reaction to fallout shelters as related to our determination—or lack of it—to risk a thermonuclear holocaust if necessary.

I need not tell my colleagues how close we have tread on the fiery brink of such a disaster beginning with those dark days of last fall when, so I am told, two men carried snub-nosed revolvers into the depths of the Pentagon's War Room with orders to shoot anyone who panicked.

And then there was that problem on the autobahn recently when a delay of one of our convoys precipitated another grave crisis.

Fortunately for us the American people have a strong faith in the leadership of our country. They have shown courage at such times but, more than that, they were hopeful—nay—confident, that the crisis would be resolved.

But I think we owe the people something more. I think they need to be told that such crises may not always be resolved. I think they need to be told that they will be given some kind of protection—and supplies enough to guarantee the continued existence of millions of Americans should enemy rockets with nuclear warheads begin raining down upon us.

I for one am unwilling to shoulder the responsibility for anything less than an adequate shelter program with adequate supplies.

To those who reply that they would not want to survive in a world devastated by thermonuclear blasts, I can only agree with those who counter that each citizen should at the very least be given the right to exercise the option.

I hope that we will all again exercise that leadership which our country has every right to expect from us and give our solid support to the Appropriations Committee's recommendation for $46.7 million to complete the stocking of shelter areas.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? 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 Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Wyoming [Mr. MCGEE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Wisconsin [Mr. NELSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

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

I also announce that the Senator from Connecticut [Mr. DODD] is absent because of death in the family.

I further announce that, if present and voting, the aforelisted Senators would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Arizona [Mr. GOLDWATER] is absent because of a death in his family.

The Senator from Iowa [Mr. MILLER] and the Senator from Wyoming [Mr. SIMPSON] are absent on official business.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

Also the Senator from New York [Mr. KEATING] and the Senator from Maryland [Mr. BEALL] are necessarily absent.

The Senator from Massachusetts [Mr. SALTONSTALL], the Senator from California [Mr. KUCHEL], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. KEATING], the Senator from California [Mr. KUCHEL], the Senator from Iowa [Mr. MILLER], the Senator from Kentucky [Mr. MORTON], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 72, nays 1, as follows:

[No. 249 Leg.]

YEAS—72

Aiken	Ervin	Moss
Allott	Fong	Mundt
Anderson	Gore	Muskie
Bartlett	Gruening	Pastore
Bayh	Hart	Pearson
Bennett	Hickenlooper	Pell
Bible	Hill	Prouty
Boggs	Holland	Proxmire
Brewster	Humphrey	Randolph
Burdick	Inouye	Ribicoff
Byrd, W. Va.	Jackson	Robertson
Cannon	Javits	Scott
Carlson	Johnston	Smathers
Case	Jordan, N.C.	Smith
Church	Jordan, Idaho	Sparkman
Cooper	Magnuson	Stennis
Cotton	Mansfield	Symington
Curtis	McCarthy	Talmadge
Dirksen	McGovern	Thurmond
Dominick	McNamara	Tower
Douglas	Mechem	Walters
Eastland	Metcalf	Williams, N.J.
Edmondson	Monroney	Williams, Del.
Ellender	Morse	Yarborough

NAYS—1

Young, Ohio

NOT VOTING—27

Beall	Hruska	McIntyre
Byrd, Va.	Keating	Miller
Clark	Kennedy	Morton
Dodd	Kuchel	Nelson
Engle	Lausche	Neuberger
Fulbright	Long, Mo.	Russell
Goldwater	Long, La.	Saltonstall
Hartke	McClellan	Simpson
Hayden	McGee	Young, N. Dak.

So the bill (H.R. 8747) was passed.

Mr. MAGNUSON. Mr. President, I move that the Senate insist upon its amendments and request a conference thereon with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. BAYH in the chair) appointed Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. RUSSELL, Mr. ANDERSON, Mr. ALLOTT, Mr. SALTONSTALL, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

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

Mr. HUMPHREY. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON MODIFICATIONS AND IMPROVEMENTS UNDER MERCURY MANNED FLIGHT NETWORK

A letter from the Acting Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on modifications and improvements under the Mercury manned flight network; to the Committee on Aeronautical and Space Sciences.

AMENDMENT OF STATUTES RELATING TO FEES FOR CERTAIN SERVICES UNDER NAVIGATION LAWS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to repeal and amend certain statutes fixing or prohibiting the collection of fees for certain services under the navigation laws (with accompanying papers); to the Committee on Commerce.

REPORT ON ADMINISTRATION OF FOREIGN AGENTS REGISTRATION ACT OF 1938

A letter from the Attorney General, transmitting, pursuant to law, his report on the administration of the Foreign Agents Registration Act of 1938, as amended, for the calendar year 1962 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON VISA PETITIONS ACCORDING FIRST PREFERENCE TO BENEFICIARIES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report concerning visa petitions according the beneficiaries of such petitions first-preference classification (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF FLOOD CONTROL ACT OF 1962, RELATING TO BRADLEY LAKE PROJECT, ALASKA

A letter from the Secretary of the Interior and the Secretary of the Army, transmitting a draft of proposed legislation to amend the Flood Control Act of 1962 with respect to the Bradley Lake project, Alaska (with accompanying papers); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SMATHERS, from the Committee on Finance, without amendment:

H.R. 8969. An act 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 (Rept. No. 646).

By Mr. PASTORE, from the Joint Committee on Atomic Energy, without amendment:

S. 2267. A bill to amend Public Law 88-72 to increase the authorization for appropria-

tions to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 647).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. MAGNUSON (by request):

S. 2321. A bill to amend the Federal Aviation Act of 1958, as amended, to prohibit the fraudulent sale of transportation in interstate, overseas, or foreign air commerce, and for other purposes; to the Committee on Commerce.

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

By Mr. HART:

S. 2322. A bill to amend the provisions of section 15 of the Shipping Act, 1916, to provide for the exemption of certain terminal leases from penalties; to the Committee on Commerce.

By Mr. KEATING:

S. 2323. A bill for the relief of Amelita R. Lorenzo; to the Committee on the Judiciary.

By Mr. KUCHEL (for himself and Mr. CARLSON):

S. 2324. A bill to amend title 18, United States Code, to prohibit the falsification of identity by senders of communications to Members of the Congress with respect to legislative measures or matters, and for other purposes; to the Committee on the Judiciary.

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

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 2325. A bill to provide for the construction of a new Veteran's Administration hospital at Vancouver, Wash.; to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY:

S.J. Res. 134. Joint resolution providing for the appointment of a bipartisan Commission to make a detailed study of food and fiber needs; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above joint resolution, which appear under a separate heading.)

PROHIBITION OF FRAUDULENT SALE OF AIR TRANSPORTATION

Mr. MAGNUSON. Mr. President, by request, I introduce for appropriate reference, a bill to amend the Federal Aviation Act of 1958, the essential objective of which is to prohibit the fraudulent sale of air transportation. Specifically, the proposed law would prohibit any person other than an airline or its employees to sell or offer for sale air transportation or to hold himself out by solicitation, advertisement, or otherwise as one who sells, provides, furnishes, or contracts for such transportation, except to the extent that such person is specifically authorized in writing by an airline.

During the past year, as in previous years, national attention has been focused on incidents in which unsuspecting air travelers have been stranded. They had contracted for specific air transportation, often on charter flights, or believed they had done so, only to find on arrival at the airport that either no plane was available or that the trip had been otherwise canceled. It is not difficult to imagine the disappointment and frustration of one who finds that the trip, to Europe perhaps, or elsewhere, which he had planned and saved for so long, had been canceled only hours before departure. Such incidents can be attributed almost invariably to unscrupulous promoters who claim that they have authority to sell air transportation when in fact they do not. They claim that they can secure transportation on airline X for a certain price on a certain day. Yet the airline has no knowledge of the commitment and gave the promoter no authority to contractually obligate it. Consequently the transportation is not provided. A tourist looking forward eagerly to his journey finds himself victimized and stranded.

This, of course, is not a practice of recognized travel agents. In fact they have been the greatest champions for legislation to eliminate it. The recognized travel agents are reputable and conscientious businessmen and women who are dedicated to serving the needs of the public. They are responsible citizens and a credit to their community. It is indeed unfortunate that a relatively few so-called promoters, engaged in the fraudulent sale of air transportation, have blemished their fine reputation.

This bill, through the imposition of civil penalties will, in my view, do much to minimize, if not eliminate, the fraudulent sale of air transportation and will afford the public the necessary protection against strandings and similar incidents alluded to previously.

The PRESIDING OFFICER (Mr. BAYH in the chair). The bill will be received and appropriately referred.

The bill (S. 2321) to amend the Federal Aviation Act of 1958, as amended, to prohibit the fraudulent sale of transportation in interstate, oversea, or foreign air commerce, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

AN INFECTION IN THE DEMOCRATIC PROCESS: ONE POSSIBLE REMEDY

Mr. KUCHEL. Mr. President, on October 15, I noted in the Senate that of the 3,000 telegrams which descended on my office in support of S. 684, the so-called freight forwarders legislation, it turned out that many were sent as a result of pressure solicitation but, more important, a number of these telegrams were sent by other than the persons whose names were affixed to them. I stated that I regarded such conduct by any lobby as an infection in the democratic process.

The mail obviously is of great importance to a Senator in determining thoughtful constituent opinion. Continuous communication between the elected and the elector is the heart of the democratic process of this Republic. There is a basic constitutional right for each American citizen to petition his Government and those who represent him, if he so desires. However, it is one thing to receive an opinion from a constituent just prior to consideration of legislation in the Senate and then later find out, subsequent to the resolution of the issue that was before us, that the letter, telegram, or communication which had been received did not in fact come from the individual whose name had been affixed to it. I noted on October 15 that such activity was a desecration of the democratic process and despicable conduct at best.

Upon consultation with the Federal Communications Commission, the Post Office Department, and the Criminal Division of the Department of Justice, I found that there was no Federal law covering this circumstance—the misuse of another's name on a communication to an elected representative. The California Legislature in its last session made it a misdemeanor to sign another person's name to a letter to a newspaper. I believe that it is time for Congress to remedy this situation as it concerns one of its basic sources of public opinion—constituent mail. Thus, I have today introduced a bill, on behalf of myself and the senior Senator from Kansas [Mr. CARLSON], who is the ranking Republican on the Senate Committee on Post Office and Civil Service, a bill to amend title 18 of the United States Code to prohibit the falsification of indentity by senders of communications to Members of Congress. This proposed legislation would include mail, telegrams, and any instrumentality or facility for communication in interstate or foreign commerce. If a false, fictitious, or assumed name, title, or address other than one's own proper name, title, or address were subscribed to such communication with the intent to deceive or mislead its recipient, a fine of not more than $10,000 or imprisonment for not more than 5 years, or both, could be levied against a person convicted of committing such a deception.

Mr. President, I ask consent that this bill lie on the desk until December 2 so that additional Members of the Senate might coauthor it if they so desire. I also ask consent that the text of this bill be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from California.

The bill (S. 2324) to amend title 18, United States Code, to prohibit the falsification of identity by senders of communications to Members of the Congress with respect to legislative measures or matters, and for other purposes, introduced by Mr. KUCHEL (for himself and Mr. CARLSON), was received, read twice by its title, referred to the Committee on the Judiciary, 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) chapter 47 of title 18, United States Code, relating to fraud and false statements, is amended by adding at the end thereof the following new section:

"§ 1028. COMMUNICATIONS TO MEMBERS OF CONGRESS

"Whoever, being the originator of any communication transmitted through the

mails or by any other instrumentality of or facility for communication in interstate or foreign commerce to any Senator, Representative, or Resident Commissioner in Congress with respect to any actual or proposed legislative measure or matter, subscribes or causes to be subscribed to such communication any false, fictitious, or assumed name, title, or address, or any name, title, or address other than his own proper name, title, or address, with intent to deceive or mislead the recipient of such communication as to the identity, title, or address of the originator thereof, shall be fined not more than $10,000, or imprisoned not more than five years, or both."

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"1028. COMMUNICATIONS TO MEMBERS OF CONGRESS.".

FOOD IS POWER

Mr. HUMPHREY. Mr. President, recently in addressing this body in connection with the introduction of the proposed Wheat Act of 1963, I stated that, and I quote:

> Our reserves now of food and fiber, and our ability to produce such commodities in abundance, are resources to be prized; to be used boldly and imaginatively, and not to be dribbled away. This must be conserved.

I further pointed out that I intended to address the Senate on this subject.

Mr. President, as the elected representatives of our various constituencies, we are chosen to be leaders in appraising the directions in which events are moving. We are elected to come forth with suggestions and recommendations on how this great Nation's policies can result in security and prosperity here at home. We are elected to make contributions to policies which will result in what is the most important single underlying concern of all men and women; namely, world peace. As an important factor in such policy considerations, I shall continue to try to evoke from this body and to alert the electorate as to the need for a very careful analysis by a blue ribbon bipartisan commission of the needs of this Nation for food and fiber reserves.

There is a need for a serious modification in the attitude of the American people in regard to the stocks of commodities now held by the Commodity Credit Corporation. While in many ways these commodities have been burdensome and costly to store, these are assets, not liabilities. Too often have I heard unthinking people state that all of the total carryover stocks of any commodity are in surplus. They have made reserve stocks synonymous with surplus. While I agree that in some cases the total carryover of a single commodity might have been or is too high, I also point out that for many commodities the total carryover stocks are entirely too low.

As the largest agricultural exporting nation in the world, we act rather strangely at times. Sometimes we leave the impression that the fruits of our farmers' labors are so great that they are liabilities. Certainly the rest of the world can read, and to even imply remotely that we are getting rid of liabilities in our export market is to downgrade the commodity in the eyes of possible buyers. Certainly we now have arrived at a stage where we can tell the world that our supplies of commodities, while available for sale, will be liquidated only to a certain level, and that such liquidation will be orderly. I do not intend to stand by and have opponents of all farm programs leave the impression that we are in a period in our agricultural policy of bankruptcy disposals. Farmers deserve better of the American people and the rest of the world than that kind of foolishness. Farmers and all the rest of us need a sane reserve policy, based on facts, not on prejudice.

THE FARMER'S CONTRIBUTION TO AMERICAN STRENGTH

I think it is high time all the American people took note of the contribution the American farmer has made, not only to the well-being of this country, but to the rest of the world. We have taken the daily modern miracle called agriculture in stride, and consider it commonplace.

From my many contacts with our farmers, marketers, processors, and other agriculture-oriented people, I come away almost in awe at the farmers' contribution to our economy. Actually, can any one man fully do justice to and appreciate the level of social progress which this modern miracle called agriculture has brought forth?

We need to study and restudy the contributions of agriculture to the growth of our economy. We need to study the dependence of the rest of our economy on the gallant 8 percent of our population who take the risks of drought and flood and hail and early frost and insects and markets. We need to study just how we can improve the lot of this numerically and proportionately shrinking group in a constructive bipartisan spirit. We need to do these things, if for no other reason than as a simple matter of justice. We need to do these things because there are many others primarily dependent on the productivity of this basic force in our society.

NEED OF FOOD RESERVES

If we are to fully understand the need for adequate and desirable levels of reserves, we must give some consideration to the great accomplishments of agriculture by most standards of performance. Let us examine our farmers' production record. In the past 10 years the average increase in annual output per hour on the farms is three times the rate of increase in nonfarm activities. One American farmer now produces enough for 27 people, whereas only 20 years ago he produced only enough for 11.

We are in the midst of a real technological revolution in agriculture that not only is irreversible—except for temporary adverse weather effects—but is rapidly accelerating with jet age speed. The American consumer is now enjoying his food at the lowest cost in terms of human effort expended of any people in the world. Not only does he have the world's richest diet, but he has the world's most nutritious diet. Today, only about 19 percent of the average consumer income is spent for food and fiber, as compared with 27 percent of consumer disposable income in 1947, and he is getting foods of much better quality. This percentage is the lowest on record and the lowest in the world relative to the earnings of consumers. If Americans were eating the same diet as in the 1930's, the average family would budget only about 15 percent of its earnings for food.

We have been witness to a massive shift from cheaper carbohydrates, such as bread and potatoes, to the higher protein, high vitamin foods, such as meat, milk, fruits and vegetables. Actually, the housewife is now getting better quality and more processing and precooking than ever before in the food she buys. Thus, the cost of food alone has declined even more than the above figures would indicate.

Let us examine the ability of farmers to increase their productivity and thus release manpower for production of other goods and services. At the same time production has been increasing, employment in the agricultural labor force has declined rather sharply. This has meant that sufficient workers to account for one-fourth of the growth in civilian nonagricultural employment have been released farm workers. We now are at a point where it takes less than 7 million workers to produce our food.

Let us examine the ability of our farmers to serve our U.S. foreign policy. While the quantity and quality of U.S. food consumption has been upgraded, we have been witness to a sharp increase in exports of food and fiber. We now are exporting about $6 billion worth of food and fiber annually. It is estimated that in the current fiscal year total exports will be about $6 billion, and that about $4.2 billion will be sales for hard currency. In our balance-of-payments account our total exports exceed total imports by about $4 to $5 billion. Thus, this agricultural abundance is greatly aiding our balance-of-payments situation.

AGRICULTURE AND BALANCE OF PAYMENTS

The soundest and simplest way to maintain our balance of payments would be to utilize to a maximum the productive efficiency of our farmers by finding ways to increase our agricultural exports even more. The American farmer has a tremendous interest in the policies that are developed in the European Economic Community, because these discussions will have an important bearing on what may happen to farm exports to the Common Market. It is essential that our Government do all that it can to make sure that American farm exports are not handicapped by a European Economic Community agricultural policy. The opportunity to expand our farm exports is excellent if we bargain hard and from strength. President Kennedy has been given authority by Congress to negotiate for the opening of greater trade opportunities through the Trade Expansion Act. We must do all we can to see that this authority is intelligently used to make tariff and other concessions in favor of our agricultural exports.

Let me mention just one spectacular example of the export possibility in the European Common Market area. The

present population of the European Economic Community is about 175 million and is increasing at a steady rate. The wages of their workers are increasing at a rapid rate. When wages of low income groups go up, the first use made of the extra income often is to buy more meat. The average meat consumption in the European Economic Community increased from 101 pounds per person in 1955–56 to 118 pounds per person in 1960–61. As their meat consumption rises, so does the need for feed grains and protein meals.

If these people were to increase their meat consumption to the U.S. per capita level, their livestock would require imports of several times the current levels for feed grains and protein meals. This would provide a great opportunity for U.S. agriculture and industry to produce on idled acres and to export. It would add to both farm income and nonfarm income, plus substantially helping the balance of trade. I am convinced there will be this opportunity and that other opportunities will be available in other parts of the world, if we are in a competitive position with other sellers. We must offer the best quality at the most reasonable price. There is no substitute for price and quality when it comes to competing for commercial markets abroad.

FOOD FOR PEACE

Under the food-for-peace program, food has become an important form of foreign economic assistance. Let us examine the ability of our farmers to provide assistance to underdeveloped countries under the food-for-peace program. I am greatly impressed by the single basic fact that it was our farmers' productive ability that made the entire U.S. foreign assistance effort possible in the food field. Here again I resort to facts in order to impress upon you the magnitude of the work which made this possible under the food-for-peace program.

Witness the following:

First. In the 9 years that the food-for-peace program has been in existence, we have been able to ship overseas a grand total of almost $13 billion worth of food. During that same period dollar sales amounted to $26 billion.

Second. Our food donations have been greatly increased in the past 2 to 3 years. They now are providing supplemental feeding for 100 million undernourished people. Three-fourths of all the commodities are now programed for children through organized school lunch efforts, through other nutritional feeding, and through family feeding plans in which the parents may participate by exchanging work for food.

Third. One of the food-for-peace programs which has given me the greatest pleasure has been the fact that in our total feeding operations abroad school lunch programs have now been extended to 40 million children in 91 countries. This program is growing every day. This food-for-peace school lunch in many areas of the world is the only square meal that the child gets all day. It may amaze you to learn that many children have been encouraged to go to school just to get that one meal. Educators in the affected areas have told me that the learning capacity of many, many children has been increased tremendously.

Fourth. We initiated a program under which we use food for wages. We use the food to pay for the building of roads and schools, the establishment of irrigation systems, the construction of homes and public buildings, and the settlement of new areas. Here we have a program under which the workers get food that is needed to feed their families at the same time that they work to better their communities.

Fifth. American foods are being used to provide a stabilizing catalyst in many new emerging nations which are attempting to grow within a democratic format. Available food prevents riots and revolution.

Sixth. As economic conditions permit, food-for-peace nations graduate to dollar markets. Witness Japan which has become the largest single purchaser of American farm products, and which not many years ago was a beneficiary of the food-for-peace program. The Japanese have cultivated a taste for U.S. wheat, milk, and corn products. This taste was whetted by the food-for-peace program, including the special school lunch program.

Spain has become a $70 million a year cash market for U.S. farm products. Market development funds generated under Public Law 480 were used to build this demand. It was not too many years ago that the soybean industry persuaded the Spanish Government to try some of our soybean oil under the food-for-peace program. It was not long before the foreign currency sales of soybean oil were replaced by dollar sales. Currently, Spain is a tremendous cash buyer of our soybean oil.

Mr. President, I believe that fundamentally when the history of the 20th century is written, the development and the expansion of the food-for-peace program will be looked upon as one of the most constructive steps ever undertaken by any nation. We must recognize that in the absence of our farmers' abundant productivity—the so-called agricultural surpluses—this could not have been possible.

FOOD AND POPULATION

The Economic Research Service of the U.S. Department of Agriculture has just completed a study which should be carefully considered by every Member of this body. The basic question raised was "how can the world produce food for the population that will more than double from three to six billion plus in less than four decades when there is little new land to draw on in many areas and not enough capital to raise yields much in most areas?"

Diets have improved steadily in the so-called developed world. Today, there are no shortages of food on a nationwide basis anywhere in the Western World. However, there are food deficits almost everywhere in the less developed parts of the world—Asia, Africa, and Latin America. In these areas the population has increased much more rapidly than food production, and the number of people suffering from malnutrition actually has increased since the early 1900's. In the years ahead the less developed regions will have great difficulty in providing more and more people with even the same low quality diets.

In an era of new nations and rising aspirations we must ask ourselves what are the implications. People want and need more food and better food with more of the proteins, fats and other nutrients that are essential for normal health. That study shows that even with greatly expanded food imports, if this less developed area of the world succeeds in raising the available food per person 20 percent above present levels, by the end of this century it will have to: First, almost triple its present production; second, increase present food output by a quantity approximately the current food production of the entire world; and, third, achieve in spite of limited resources an annual increase in production rates for food substantially higher than that ever attained by the so-called affluent societies of North America and the rest of the industrial West.

In the world today 4 children are born every second—well over 300,000 a day. Man has scarcely begun to assess the long-term implications of this phenomenal growth rate. The United Nations estimates now that nearly 3½ billion people will be added to the world population by the end of this century. Most of the people will be added in the less developed countries, areas that are least able to feed themselves.

If I have startled you with the above figures, it should be noted that by 2000 A.D., Asia alone will have a population greater than the present population of the entire world.

We are finding ourselves in a situation under which the less developed world is in to improve its economic level, carrying a double burden of a population growth rate in excess of twice the West and a much smaller per capita availability of land, water and other natural resources.

Population growth is not in itself the most significant factor in the indicated food shortage facing the less developed world. Unfortunately, countries with enough land to support their food needs are not the ones having the most children. The so-called man-land ratio is out of balance. Since not much more new land can be brought into production, the only escape valve can be higher yields per acre.

NORTH AMERICA AND FOOD SUPPLIES

As we take a hard look ahead, it becomes apparent that North America will become increasingly important as a supplier of grain to the world's deficit regions. Prewar Asia was a net exporter of grain of some 2 million metric tons per year. By 1960–61 it was a net importer of 16 million metric tons.

During the late 1930's Latin America was the dominant supplier of the world grain markets, exporting more grain than North America and Oceania put together. By 1960–61 this area was importing grain both to feed a bigger population and to provide a little better diet.

Africa was not traditionally much of a grain exporter or importer. Although Africa's grain output has kept pace with a population growth, nevertheless it has slipped over the line to become an importer of about 2 million metric tons of grain a year in order to meet its peoples' growing demands for more food.

Western Europe has long been the world's largest grain market. However, the Soviet Union, which has been a net exporter of grain along with the rest of Eastern Europe, is going to develop a sizable deficit and will continue to need substantial imports.

This leaves North America and Oceania as the only major grain suppliers. North America will become increasingly important as the supplier of grains to the world's deficit regions.

While from the above figures it is obvious that the growing food problem is primarily confined to less developed countries, it is important to note that in a larger sense it is a world problem. The industrial West must be fully committed to its solution.

That solution will call for both a reappraisal of annual world food requirements and annual world food resources. Furthermore, we need a new look at world food reserves to meet the vagaries of weather. In recent years the weather cycle struck down the grain crops of mainland China and the accumulated surpluses of North America and Oceania came to the rescue. This year, these accumulated surpluses are being called for to meet the reduced crop yield of Russia and Eastern Europe. By the end of the 1963–64 crop season we will be able to pat ourselves on the back as we see our Government-held surplus stocks of food and feed grains greatly reduced.

But it is a moment like this—when we are not certain how long the adverse weather cycle will hover over Russia and Eastern Europe, or how soon the favorable crop years in North America may turn into years of substantially lower yields—that we must do our best to foresee the future.

I know our meteorological science can tell us little as yet about growing conditions a year or 2 or 3 years in advance in this or any other country. But the available records of crop production and weather over the past 30 to 50 to 70 years can tell us a great deal. In examining some of these records I found that the course of the agricultural production revolution has not progressed at an even pace. The trends in productivity—or yields per acre—have not advanced along an upward straight line course, but have been subjected over recent decades to the impact of weather cycles.

FOOD PRODUCTION AND WEATHER

Sometimes these reversals in trend have been masked by an unusually good year, both in the United States and other grain producing countries. The fact that yields per acre both in exporting and importing countries are now substantially higher as a result of technological advances does not at all guarantee us against a falling off of yields from these higher levels. And the fact that ultimately still higher levels may be expected and attained does not lessen the price and distribution problems that adverse weather in important exporting and importing countries could pose on the immediate future.

This is one of the reasons I am interested in having a bipartisan commission assemble the facts as to prospective demands and supplies, country by country. For in interpreting the recent changes in supply and in making projections for the immediate and long-term future, an opportunity will be afforded to examine the longtime records for clues to coming weather effects. The records have been accumulating and from what I have seen I am convinced not only that they contain important clues, but that it is high time they be presented for all to see and appraise.

Mr. President, I am indebted to Dr. Louis Bean, a prominent and distinguished economic analyst who has made available to me the wealth of information he has gathered over the years on weather and the role it plays in crop yields and production.

I also am grateful to Louis M. Thompson, associate dean of agriculture at Iowa State University in Ames, Iowa. Dr. Thompson presented a paper yesterday before the Water Research Symposium, sponsored by the Soil Science Society of America and the Soil Conservation Society of America, in which he said, and I quote:

> It is this writer's opinion that a moving average for corn yield in Iowa describes a weather trend better than it describes a trend for adoption of technology.

In summarizing his remarks, Dr. Thompson stated:

> That—

And again I quote:

> about half of the increase in yield (of grain crops) for 1950 to 1960 can be attributed to a change to more favorable weather, and that only about half the upward trend was due to technology.

I ask unanimous consent to have printed at this point in the RECORD the summary of Dr. Thompson's paper, entitled, "Our Recent High Yields—How Much Due to Weather?"

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

SUMMARY OF REMARKS BY LOUIS M. THOMPSON, ASSOCIATE DEAN OF AGRICULTURE, IOWA STATE UNIVERSITY, BEFORE WATER RESEARCH SYMPOSIUM, DENVER, COLO., NOVEMBER 19, 1963

During the past 2 years the writer has analyzed weather variables and crop yield trends for the 11-State area from North Dakota to Texas and from Iowa and Missouri across Illinois and Indiana to include Ohio. Corn, soybeans, wheat, and grain sorghums were studied by analyzing the data of five States for each crop. Multiple regression analyses were made by using years for technology and several weather variables, including preseason precipitation, monthly rainfall, and monthly temperature during the growing season. All studies brought out one important fact, and that is the weather of the first half of the decade of the 1950's was relatively unfavorable to grain crops while the last half of the decade was relatively favorable to grain crops. Consequently, a trend line based on crop production in the period from 1950 to 1960 results in a trend line about twice as steep as the longer-term trend line developed from 1930 to 1962. In other words, the several studies show that about half of the increase in yield from 1950 to 1960 can be attributed to a change to more favorable weather, and that only about half the upward trend was due to technology.

In addition to the change from unfavorable weather of the early fifties to more favorable weather in the late fifties there has been a gradual change since 1930 toward cooler July temperatures and higher July rainfall. In other words, part of the long-term trend upward in grain production since the mid-thirties is due to a gradual improvement in weather for grain production.

Mr. HUMPHREY. Mr. President, I also call to the attention of my colleagues an article entitled "How Serious Are Our Feed-Grain Stocks?" which Dr. Thompson wrote for the February 1963, edition of Iowa Farm Science. In this paper, Dr. Thompson makes some pertinent observations. He states that, and I quote:

> What's really at the heart of our surplus stocks of feed grains is our capacity to produce them. Without the capacity to produce more than we use each year, we'd have no surplus stocks and would not be so concerned about adding to them. Prices, too, have a role in feed-grain production and use, but let's stick mainly to our production capacity and the size of our stocks.
>
> To consider our production capacity, we need to go one step further. Most of our increased farm productivity has been attributed to improved technology. But we know that other factors also affect our total capacity. One of these is weather—aside from minor year-to-year local variation, a most important factor.

Dr. Thompson concludes in this article, and again I quote:

> It could be a serious mistake to ignore weather and to assume that the trend in increased yields and productivity from 1950 to 1960 occurred solely because of improved technology. Our most recent studies show that about half of this trend is due to technology and half is due to weather.
>
> Again, this isn't to say that we don't have excess capacity or surplus stocks or that there are no problems involved. But perhaps we should temper our judgment of the terms "excess," "surplus" and "burdensome" by asking "under what conditions?" If, for example, we were to have a major widespread drought or to become involved in another global war, "reserves" of feed grains might be a more appropriate term for some of the stocks.

For those whose musings today lead them to weigh concerns along with blessings, there may be some applications in the observations of Francis Bacon some 3½ centuries ago in his essay of "Seditions and Troubles":

> The surest way to prevent seditions (if the times do bear it) is to take away the matter of them. For if here be fuel prepared, it is hard to tell whence the spark shall come that shall set it on fire. The matter of sedition is of two kinds; much poverty and much discontentment * * *. And if this poverty and broken estate in the better sort be joined with a want and necessity in the mean people, the danger is imminent and great. For the rebellions of the belly are the worst.
>
> The first remedy or prevention is to remove by all means possible the material cause of sedition whereof we spake; what is want and poverty in the estate—above all things, good policy is to be used that the treasure and moneys in a state be not gathered into few hands. For otherwise a state may have a great stock, and yet starve.

We have yet to make the full intellectual adjustment to our present position. We remain sometimes enamored of false values. Comfort, for example, is hardly the proper standard of a great nation. Comfort is the lot of the vegetable and the objective of the lapdog.

For a virile people require more of national goals than creature satisfactions. What is borne in on us from all quarters is the practical economic and political meaning of the Biblical tenet that we are our brother's keepers. And what is presented to us by virtue of circumstances is an opportunity—an opportunity for leadership in accommodation to orderly change in our domestic society and in the world we inhabit.

It is an opportunity as fresh and exciting as it is rigorous and uncertain. Not all change is automatically desirable, and not all change is within our power to guide or control. But change there will be, and the highest task of leadership is to foresee and shape the forces that, like wind and rain, continually alter environment.

I have now become convinced that the time is at hand to free our farmers from their concern over the long-term implications of regulations and control. What we should try to do is to encourage shifts in production into those commodities for which expanding needs are foreseen.

A BIPARTISAN COMMISSION ON FUTURE FOOD RESERVES

As a second step, I again urge my colleagues to authorize the appointment of a blue ribbon bipartisan commission to analyze our future reserve requirements. We must be sure that our own food reserves be maintained at a level to assure us the continuation of a healthful standard of living even if we should have a serious crop setback. In the absence of such reserves, a serious crop setback could set off a chain of inflationary forces which would create serious long-term economic difficulties.

These are only two of the steps we must take as we march down the long road ahead. We must have food reserves to bolster our proud position. For food is power.

Mr. President, at this time I introduce for appropriate reference a joint resolution providing for the appointment of a bipartisan commission to make a detailed study of food and fiber needs. I urge that this joint resolution receive early consideration and approval.

I ask unanimous consent, Mr. President, that the text of the resolution be printed at this point in the RECORD.

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

The joint resolution (S.J. Res. 134) providing for the appointment of a bipartisan commission to make a detailed study of food and fiber needs, introduced by Mr. HUMPHREY, was received, read twice by its title, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to appoint a bipartisan commission composed of a chairman and eight other members, three of whom shall be appointed from the agricultural community, three of whom shall be appointed from the public, and three of whom shall be appointed from Government. Such Commission shall make a detailed study with respect to the amount of food and fiber needed to meet domestic and export requirements, including programs in which the United States participates in order to aid the needy peoples of foreign nations, the management of supplies in the national interest and in the interest of the free people of all nations, and the need for strategic reserves of such commodities, and shall report to the President within twelve months from the date of this joint resolution its recommendations with respect thereto. The President is authorized, whenever he determines such action necessary, to pay for each day's attendance at meetings and while traveling to and from such meetings, transportation expenses and, in lieu of subsistence, a per diem in the amount authorized under the Travel Expense Act of 1949 for Federal employees. No salary or other compensation shall be paid. Thirty days after the submission of its report to the President the Commission shall cease to exist. There are hereby authorized to be appropriated such amounts as may be necessary to enable the President to carry out this joint resolution.

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

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

By Mr. MAGNUSON:

Address delivered by Secretary of Labor Willard Wirtz to the 75th anniversary banquet of the International Association of Machinists, September 21, 1963, Seattle, Wash.

KITTERY NAVAL SHIPYARD, MAINE

Mrs. SMITH. Mr. President, a week ago I received a most gratifying letter from the president of local No. 4 of the American Federation of Technical Engineers, Portsmouth-Kittery Naval Shipyard. I ask unanimous consent that it be placed in the body of the RECORD at this point.

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

AMERICAN FEDERATION
OF TECHNICAL ENGINEERS,
LOCAL NO. 4,
Portsmouth, N.H., November 12, 1963.

Hon. MARGARET CHASE SMITH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SMITH: Congratulations on your single accomplishment in getting the Navy Department to admit that the "just won't work" charges recently leveled at the Kittery Naval Shipyard workmen are just not true.

When these damaging statements were first published, this organization immediately sent telegrams to six area Senators and numerous Representatives, demanding that they be proved or retracted and requesting a full congressional investigation.

We believed then, as we do now, that people who are innocent have nothing to fear from an investigation of false charges. Consequently, we were greatly encouraged by your immediate response to our request and the positive steps which you took to have the charges investigated.

The subsequent award of a nuclear attack submarine to the shipyard was hailed by some as an indication of the Navy's confidence in our activity but this observation had rather a hollow ring to it as long as the original charges were allowed to stand.

The success of your campaign to require the Navy to tell the truth about this matter, represents the final vindication of the workers at the Kittery Naval Shipyard and deserve the same wide publicity given to the original charges.

Once again, as in 1958, when you almost succeeded in winning the battle for equalization pay, you have demonstrated your willingness to fight persistently, against strong opposition, for what you believe to be right.

In a world where political expediency appears to be the rule, rather than the exception, yours is a type of representation too seldom seen but deeply appreciated by your constituents.

Respectfully yours,
TIMOTHY D. FLYNN,
President.

CENTENNIAL OF THE SOKOL MOVEMENT IN THE UNITED STATES

Mr. DOUGLAS. Mr. President, February 14, 1965, will be the 100th anniversary of the founding of the Sokol movement in the United States. The issuance of a commemorative stamp would be a suitable gesture of appreciation for this fine organization dedicated to strengthening the Nation by strengthening its citizens.

Over 250,000 Americans of all ages now belong to Sokol educational and physical fitness units and participate in programs of physical and cultural training. Since 1865, Sokol has built its own gymnasiums, conducted children's summer camps and supported language schools, libraries, and cultural groups. It has done this in the belief that physically fit, mentally alert, and culturally aware citizens will make ours a strong Nation. While the organization is nonpolitical, it encourages its members to actively serve their communities and the country with selflessness and patriotism.

President Kennedy has urged us to undertake a campaign for physical fitness, lest we become a nation of spectators. He has praised "the part the American Sokol organization has played in establishing physical fitness and good sportsmanship as major objectives of recreation, education, and our way of life."

A commemorative stamp would render due recognition to the Sokol movement and would emphasize the importance of physical fitness to the Nation. I hope the Postmaster General will issue such a stamp. I ask unanimous consent that there be printed in the RECORD at this point a copy of a letter dated November 20, 1963, to the Postmaster General requesting the issuance of a commemorative stamp along with a memorandum further explaining the activities and objectives of the Sokol organization.

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

SOKOL CENTENNIAL
COMMEMORATIVE STAMP COMMITTEE,
Cicero, Ill., November 20, 1963.

Hon. JOHN A. GRONOUSKI,
Postmaster General, Washington, D.C.

DEAR MR. POSTMASTER: President John F. Kennedy wrote the following: "I appreciate

the part the American Sokol movement has played in establishing physical fitness and good sportsmanship as major objectives of recreation, education, and our way of life. In years to come, I hope American Sokol's example will inspire millions more to join in this pursuit of excellence."

February 14, 1965, will mark the centennial of the founding of the first Sokol (Falcon) Educational and Physical Fitness Unit in the United States of America. Since its founding the Sokol movement has expanded from coast to coast, numbering hundreds of units with a membership well over 250,000. We feel that the issuance of a commemorative stamp honoring the Sokol's centennial will bring into sharper focus the constant need for physical fitness and the feasibility of its execution.

The accompanying memorandum presents the highlights of a century of work. We hope you will deem the Sokol's continuous training of thousands of children and adults worthy of the issuance of a commemorative stamp.

The Sokol's slogan of "For Neither Profit nor Glory" is as unblemished today as when first conceived. Our only desire is to have the entire Nation as conscious of physical fitness as we have been during the past century.

We again congratulate you upon your elevation to your high post and wish you well in your entire future.

Sincerely yours,

(Signed by Representatives of the following:) American Sokol Organization; Federation of D.A. Sokol of the U.S.A.; Polish Falcons of America; Slovak Gymnastic Union Sokol of the U.S.A.; The Slovak Catholic Sokol; Union of Czech Catholic Sokols.

MEMORANDUM—SOKOLS IN AMERICA TO COMMEMORATE CENTENNIAL

Sokol (Falcon) is an organization dedicated to physical, mental, and cultural training of its members, and the children who attend its gymnasiums.

The first Sokol unit in the United States was founded on February 14, 1865, in St. Louis, Mo. Within a few years Sokol units were formed in Chicago, New York, Baltimore, Cleveland, Milwaukee, Detroit, Cedar Rapids, Omaha, etc. Since then the Sokols have established units from the Atlantic to the Pacific coast and from Canada to the Rio Grande. For a century they have carried on an uninterrupted course of training thousands upon thousands of individuals, of both sexes, from 6 years of age to well past 60. They built and supported their own gymnasiums, supported foreign language schools, assembled libraries, formed and aided cultural groups, conducted summer camps for children, and have an enviable record of less than 1-percent rejections when entering military service. They trained their own instructors and workers in all departments. Hundreds of outstanding coaches in our American elementary and high schools, playgrounds, and colleges received their early training in the Sokol gymnasiums and carried on the Sokol philosophy of physical training for everyone.

Never in all this time have they solicited any branch of government for financial support feeling that it was their duty to contribute all of this to the national welfare.

Their slogan of "Neither for Profit nor Glory," is as unblemished today as when first adopted. Their credo could well be adopted by the entire Nation for it is as applicable to it as it has been to the Sokols. It is:

"Our first and overall task rests in the premise that before any other demands, we must preserve our Nation in that general vigor that does not allow a nation to die, in that steady and fresh strength, in that physical, spiritual, and moral health that will not allow any decay to set in and with that no stagnation, which is the worst fate that could happen to a nation."

From one unit in 1865 the Sokols grew in the United States to a total membership of over 250,000.

Within the last few years, new gymnasiums have been built or expanded by Sokols in Baltimore, Md.; Cleveland, Ohio; Dallas, Tex.; Los Angeles, Calif.; St. Louis, Mo.; Detroit, Mich.; as well as by Sokol units in Chicago, Ill., and elsewhere. A rejuvenating spirit is seen everywhere within Sokol ranks.

Physical training as a valuable aid to general education was well understood in the golden age of Greece, and by outstanding pedagogs during the last five centuries. Comenius, Rousseau, Pestalozzi, Friedrich Jahn, Huxley, as well as scores of our modern American teachers, have fought throughout their lives for the simultaneous development of the body as well as the mind. This inevitably produces those characteristics so vital for any nation to maintain its existence.

The Sokol training goals are:

1. To strengthen and improve the health of individuals;

2. To train people of strong will, capable of self-denial, people of firm and constant character who can put their plans into action (self-discipline, perseverance, self-confidence, integrity);

3. To form of them more competent working units (ability, dexterity, reliability);

4. To teach them to work for society and in society (cooperation, consideration, social responsibility);

5. To make them the basis of a healthier posterity;

6. To increase their defensive capacity (Armed Forces);

7. To influence them by beauty in nature, the arts, and man's other creations, and to inculcate in them a sense for beauty; and

8. To make them forever conscious that liberty and freedom are a priceless gift, its protection a sacred duty.

The Sokol founders conceived the idea that physical education might provide an outlet for hitherto untouched and perhaps unrealized national energies. But bodily exercise was not the ultimate goal to them for they had studied Greek literature and culture for many years. Mechanical drill and perfection in set exercises was less important to them than the balanced integration of all the capacities of the human mechanism. They originated a gymnastic technique completely independent of other methods. In addition to raising the level of health and general well-being throughout the land, the Sokol movement is a school for democracy, preparing its members for participation in every phase of life, either in their own cities and towns, or later in more trying times on a wider field, in the struggles for preserving national liberties and their maintenance in a troubled world.

The leading ideas in the Sokol movement are the equality of all members, comradeship, and loyalty to the Nation as a whole. This almost Spartan training axiomatically leads to higher scholastic attainments, independence, rapid rise in rank in any field of endeavor whether civilian or military. Delinquency at any age is unknown.

Of the thousands in the Sokol ranks, it is rare to find one who is not a veteran of the Armed Forces, just as 25-, 40-, 50-, and 60-year memberships in the Sokols are quite common. Physical fitness tests and competitions have been conducted as a matter of course for decades, in every class and age group.

Dr. Hans Kraus of New York University conducted the AAHPER tests comparing the fitness of European and American youth: 9 percent of the Europeans failed, 60 percent of the Americans flunked (Newsweek, May 11, 1959); only 3 percent of the Sokol children failed.

There was no fatal casualty in Sokol gymnasiums in decades, or even one among Sokol trained youth in high school or university competitive sports.

Mr. Joseph Jerry Mulla of Sokol Detroit was selected for Admiral Duffek's Operation Deepfreeze, in 1957, out of thousands, to keep up the morale and physical fitness of the men.

Mr. Kriz of Sokol New York, was the only American to ever win a gold medal in Olympic gymnastic competitions.

Sokols have a record of less than 1 percent rejection, long before World War I, when entering the U.S. Armed Forces. In every national crisis our gymnasiums are bare. All our young men are accepted for service. The Sokol system of gymnastics, calisthenics, marching, games, and athletics is a scientifically designed one to take into consideration the needs and exercise of every part of the body, internal as well as external. It is rich in material so that drilling does not become monotonous. It is the result of the combined thinking and experience of thousands of dedicated, qualified medical men, physiologists, and outstanding instructors. This applies to all age groups, tots, children, juniors, as well as men and women.

America's almost fanatical desire for winning teams has been the downfall of the physical fitness program for the overall citizenry. The Sokols like to win too, and have plenty of local, district, and national competitions, but their primary object has been to elevate the general level rather than concentrate on a few stars. As a rule the stars already have a fine constitution and development and need training the least.

The issuance of a stamp commemorating the centennial of the Sokol movement would have a great impact upon the general public. It would highlight the constant need for physical fitness and bear evidence of the results when training starts at 6 years and does not end even at 60. This continuous activity can be seen at any time in any Sokol gymnasium.

We trust that you will consider this request favorably as "Neither for Profit Nor Glory," has been a way of life for the Sokols for a century and not just an empty slogan.

JAMES L. CIHAK, *Chairman.*

POOLING OF INVESTMENT ACCOUNTS BY BANKS

Mr. SCOTT. Mr. President, Senate bill 2223, now pending in the Senate Banking and Currency Committee, is designed to permit banks to commingle investment accounts into a common pool, and to solicit such accounts from the public, in the same manner as mutual funds are offered to the public.

The Securities and Exchange Commission has asserted its belief that such bank-sponsored mutual funds should be subject to the Federal securities laws as are offerings of other securities including the well-established mutual funds. This is a subject that I believe should be thoroughly considered by the Congress, and testimony from all sides should be heard.

I am disturbed, therefore, that in the report of the Senate committee granting appropriations to the SEC, a clause has been inserted which would deny to the SEC the right to use any of the appropriated funds for the regulation of the bank-sponsored mutual funds.

This does not seem to me to be the right legislative process, and while I intend to vote in favor of the appropriation

bill, I wish to voice my opposition to binding the hands of the SEC in this fashion.

TOBACCO AND THE PUBLIC WELFARE

Mr. CHURCH. Mr. President, the junior Senator from Oregon [Mrs. NEUBERGER] has written an important book entitled "Smoke Screen: Tobacco and the Public Welfare." It deserves to be a bestseller and I am sure it will be. The book is only 136 pages long; it will take Senators no more than a couple of hours to read; I assure them the book is worth their time. It is well-written; unburdened by psuedo-scientific jargon or self-righteous moralizing. Senator NEUBERGER sticks to the facts; she carefully examines the evidence on cigarette smoking by leading medical men all over the world, and concludes that the health case against cigarette smoking is indisputable. I suspect that few who read her book with an open mind will hold to a different conclusion.

Although Senator NEUBERGER is cognizant of the facts and uses them fairly, she has not written a tedious or stuffy book. From the first line, "Mice are unenthusiastic smokers," to the last, Senator NEUBERGER is able to find humor, even in the sad facts about cigarette smoking. Of course, a good source for humor lies in the advertising campaigns of many cigarette companies. She properly castigates "the high priest of hidden persuasion" and quotes one magazine which speculates that the next cigarette singing commercial will be:

> The best taste you ever did smoke; every inch a child's smoke.

This pinpoints one of the most objectionable facets of the cigarette problem—the advertising campaign to persuade adolescents to smoke. Senator NEUBERGER quotes Dr. Michael B. Shimkin, associate director for field studies of the National Cancer Institute, who said:

> Cigarette advertising equates smoking cigarettes with bravery, sexual virility and social status, and in view of this campaign it is little wonder that so many youngsters smoke.

Senator NEUBERGER's book went to press before the most offensive cigarette commercial that I have seen made its appearance. How many American parents, who have teenage sons like I do, have winced when they heard that inane but carefully calculated jingle:

> Luckies separate the men from the boys, but not from the girls.

I am sure that all reputable advertising people join in protesting this abuse of technique. As the trade journal, Advertising Age, proclaimed on August 26:

> The Lucky Strike campaign is described as an effort to reduce the degree of youth appeal in cigarette advertising. Yet such a claim must be made either in deep ignorance of youthful psychology, or else, in utterly brazen cynicism, since clearly its effect will be the opposite of that proclaimed. Anything which "separates the men from the boys" means, in ordinary speech, something which is too tough a challenge for a boy—and by that token, something a boy is likely to regard as eminently worth doing as a means of proving his grownup estate.
>
> In a time when advertising people are talking about self-policing by the industry, this kind of advertising can go a long way toward convincing the public that self-policing by admen is unlikely to be effective.

It is obvious that the term "utterly brazen cynicism" is appropriate in this particular case. But this insidious advertising campaign has not been dropped since Advertising Age correctly identified it; I suppose the increased cigarette sales to adolescents more than make up for the criticism which the campaign might cause. One of the purposes of Senator NEUBERGER's book is to expose this kind of unscrupulous advertising directed at youth.

Neither Senator NEUBERGER nor I, nor anyone else in Congress I know, proposes to interfere with an adult's right to smoke cigarettes, regardless of what the health hazard may be. But it is clear that cigarette smoking for many people is an addiction, especially if it is begun in youth. An adolescent, often plagued by the need to try to prove that he is grown up, is surely placed in a hard position to resist taking up the smoking habit, when he is constantly subjected to a ceaseless barrage of unprincipled advertising equating manliness in sports, sex, and sophistication with the smoking of X brand of cigarette. Senator NEUBERGER not only criticizes this sick trend in cigarette advertising, but also questions the strange silence concerning the facts of cigarettes and health, on the part of governmental agencies and much of our communications media.

In her effort to be fair, Senator NEUBERGER points out that some have acted responsibly in trying to bring the facts to public attention, citing among others, the Reader's Digest, Consumer's Union, Time, Newsweek, the Atlantic Monthly, Harper's, the New Republic, the Nation, CBS, Edward P. Morgan, and LeRoy Collins.

Senator NEUBERGER has a four-point program which Congress should seriously consider: First, education of both the presmoking adolescent and the adult smoker; second, expanded research, in the technology of safer smoking; third, reform of cigarette advertising and promotion; and, fourth, cautionary and informative labeling of cigarette packages. Senator NEUBERGER's book and her concern in this important matter represent real services to the American people.

I ask unanimous consent to insert several articles at this point in the RECORD which either review or comment upon Senator NEUBERGER's book "Report on Smoking Is Devastating" by Jack Anderson, which appeared in the October 31 issue of the Washington Post; an editorial "Smoking Education" from the October 21 issue of the Medical Tribune; a review by Donald Mintz from the November 8 issue of the Washington Evening Star; an article by Peter Bart entitled "Advertising: Cigarette Promotion Assailed" from the November 8 issue of the New York Times; an article by Caryl Rivers from the November 11 issue of the Baltimore Sun; and an article by W. H. Stringer which appeared in the November 14 issue of the Christian Science Monitor.

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

[From the Washington (D.C.) Post, Oct. 31, 1963]

REPORT ON SMOKING IS DEVASTATING

(By Jack Anderson)

The tobacco tycoons are doing their best to delay and dilute the long-awaited Presidential report on cigarettes and cancer, which should be ready to release by December 15.

Though elaborate precautions have been taken to make sure the report doesn't leak out before it can be edited, this column can state that the individual studies contain overwhelming evidence that smoking can cause not only lung cancer but heart, stomach, bronchial, and other ailments.

These studies are now being boiled down by Dr. Peter Hamill of the National Library of Medicine into a report that should present a devastating case against the tobacco habit.

It will be submitted to pack-a-day smoker Anthony Celebrezze, the efficient, ebullient Secretary of Health, Education, and Welfare, who hasn't concealed his lack of enthusiasm for battling the tobacco interests.

He has made it plain that he doesn't consider it "the proper role of the Federal Government to tell citizens to stop smoking."

He puts smoking in the same category as overeating and overdrinking, insisting privately: "I don't believe that the prohibition of smoking by the Federal Government would be any more effective than the prohibition of alcohol."

HEW spokesmen assured this column, however, that Celebrezze believes the Government has a duty to warn citizens against health hazards.

Celebrezze will send the report up to President Kennedy, who is even less anxious to get his fingers burned by the cigarette controversy. Certainly he has no desire to antagonize tobacco State Senators and Congressmen while his civil rights reforms and tax cuts are still pending.

When the cigarette subject was brought up at a May 1962 press conference, the President handled it like a butt that had burned down to his fingers.

"That matter is sensitive enough, and the stock market is in sufficient difficulty without my giving you an answer," he hedged. "* * * Perhaps I would be glad to respond to that question in more detail next week."

The following week, he turned the problem over to an advisory committee and announced happily that, "The survey would take some months or go into 1963."

The loudest howls about the Presidential report are coming from the Agricultural Department, which is more concerned about the tobacco crop than public health. If the report is made public on December 15, wail the marketing men, it might hurt the December tobacco auctions.

Secretary of Agriculture Orville Freeman, who smokes sparingly, is fearful that the report will reduce cigarette sales and damage an important industry.

Apprehension over the forthcoming report also is high at the Federal Trade Commission, which is responsible for regulating dangerous and deceptive advertising.

Eighteen months ago, the Commission acknowledged to Senator MAURINE NEUBERGER, Democrat, of Oregon, that it has authority to crack down on tobacco advertising. The Commission put off her demand for action, however, by claiming it needed "competent probative scientific evidence."

This should now be furnished by the Presidential Committee, thus putting the Commission on the spot. It may have no alternative but to require tobacco companies to include a warning of the cigarette hazards in all their newspaper-magazine ads and radio-TV commercials.

The advertising abuses are hit by Senator NEUBERGER in a book, "Smoke Screen," just off the Prentice Hall press.

She checked on commercials, for example, depicting baseball stars Mickey Mantle, Roger Maris, and Whitey Ford as contented Camel smokers.

She found that Mantle had smoked Camels briefly, then had switched to Viceroys. But he was last reported using Bantron, an anti-smoking pill.

Maris also had smoked Camels, but had stopped smoking altogether a month before the commercial appeared. The only information the Senator could find on Ford's smoking habits was a sports story quoting him after a shutout victory.

"This was the best I've felt for nine innings since the first game of the World Series against Cincinnati," boasted Ford.

The reason for his improvement: "I quit smoking." said Ford.

The President's Study Committee on Smoking and Health has done little original research but has merely summed up the existing information on the tobacco problem. Several distinguished doctors contributed studies.

One of the most convincing reports was submitted by Harvard's noted statistician, Prof. William Cochran, who compiled staggering statistical evidence that cigarettes cause lung cancer, heart trouble, and other ailments.

After 20 years, for example, a pack-a-day smoker is 200 times more likely to develop bronchial adenocarcinoma, a type of lung cancer, than is a nonsmoker.

[From the Medical Tribune, Oct. 21, 1963]

SMOKING EDUCATION

Oregon's Senator MAURINE B. NEUBERGER is now the author of "Smoke Screens: Tobacco and the Public Welfare." We hope her book, on sale next month, goes like hotcakes and promptly appears on the list of best sellers.

Senator NEUBERGER has a deft wit and a sprightly style; her book can be easily read in a couple of hours—to everyone's profit. She has for some time been in the forefront of efforts in Congress to do something constructive about the menace of cigarette smoking but modestly disclaims that this entailed any courage on her part. "Of course," she writes, "if thousands of acres of burley tobacco, instead of wheat, grew in eastern Oregon, or if Portland and Salem were as economically in thrall to the manufacture of cigarettes as such North Carolina cities as Durham and Winston-Salem, I might not be diffident about accepting praise for my courage." Her analysis of the financial stake in cigarette smoking is illuminating.

The program the Senator espouses is one Medical Tribune heartily endorses. "I consider that there are four general sectors of Government activity in which remedial action is presently both justified and tardy: (1) education of both the presmoking adolescent and the adult smoker, (2) expanded research into the technology of safer smoking, (3) reform of cigarette advertising and promotion, and (4) cautionary and informative labeling of cigarette packages."

An admirable way for the physician to further "education of both the presmoking adolescent and the adult smoker" is to recommend the reading of this book.

[From the Washington (D.C.) Evening Star, Nov. 8, 1963]

CIGARETTES AND THE SENATOR

(By Donald Mintz)

"Smoke Screen: Tobacco and the Public Welfare," by MAURINE B. NEUBERGER, 151 pages, Prentice-Hall, Inc.; $3.95.

"Since I'm not a doctor," writes Senator MAURINE NEUBERGER, "I can't justify this book as an authoritative treatise on the medical aspects of smoking (which it most assuredly is not), nor can I claim any special insight into the economic, sociological, psychological, or even historical aspects of the smoking phenomenon. But I am a legislator, and I do make a modest claim to be at home with the questions of Government responsibility. And, since this book culminates a year-long period of relatively intense study and contemplation of the smoking problem, I hope that my conclusions would be of some use to those who are now called upon to chart the course of national policy with respect to smoking; namely, the Surgeon General's Committee on Smoking."

If Senator NEUBERGER's work were only "of some use" to a particular Government committee it would hardly need to be printed and sold to the public at large. Either her claim is too modest, or the text of her book would better have been sent over to the Surgeon General in typescript.

USEFUL BOOK

The former is the case; "Smoke Screen" is a remarkably interesting and useful little book.

The basic medical facts are naturally included, and Senator NEUBERGER has had the foresight to have the manuscript checked by two expert physicians.

But these facts are merely her starting point. The emphasis is on documenting the response to these facts made by the tobacco, advertising, and communications industries and Government agencies which might reasonably be expected to take an interest, and finally in outlining a suggested public policy for the future.

The generally irresponsible nature of the reaction to the dreadful facts about smoking is fairly widely known. Senator NEUBERGER's book shows, however, that the extent of the irresponsibility on all sides is greater than even a relatively hardened cynic might have supposed.

One particular episode may give the average citizen a certain grim pleasure. It seems that when a U.S. Senator writes to the president of a television network asking specific questions and suggesting—ever so gently—that the Senate has certain investigatory powers, she receives an answer that carefully avoids the questions, an answer, indeed, that seems to assume that the Senator is dull enough to be satisfied by faintly disguised noninformation. In short, the Senator and the citizen get the same snow job.

SUGGESTS LEGISLATION

Senator NEUBERGER is not a prohibitionist. She knows that cigarettes and other forms of smoking tobacco can no more be banned than could potable alcohol. Moreover, she knows that even if a ban were possible, there would be no moral or constitutional justification for inflicting it.

She does, however, suggest that the Government can and should take steps to redress the balance; the balance, that is, between the endangered citizen and the numerous, powerful interests that assault him with a variety of weapons ranging from money to motivation research.

"There are four general sectors of Government activity," she writes, "in which remedial action is presently both justified and tardy: (1) education of both the presmoking adolescent and the adult smoker, (2) expanded research into the technology of safer smoking"—this has to do with the chemistry of tobacco combustion and further work on filtration—"(3) reform of cigarette advertising and promotion, and (4) cautionary and informative labeling of cigarette packages."

It seems Senator NEUBERGER omits a matter of the greatest importance. She remarks that members of her staff have been reading about the effects of smoking on health for some time now. Yet many continue to smoke. Perhaps we should add a fifth general sector: Research into the physiological and psychological factors that cause people to take up and cling to the smoking habit.

[From the New York (N.Y.) Times, Nov. 8, 1963]

ADVERTISING: CIGARETTE PROMOTION ASSAILED

(By Peter Bart)

The cigarette industry may have placated some critics recently by voluntarily curbing ads directed at young people, but vehement opposition still remains.

This fact was underscored yesterday with the publication of a lively new book, "Smoke Screen: Tobacco and the Public Welfare." The book was written by Senator MAURINE B. NEUBERGER, Democrat, of Oregon, and is published by Prentice-Hall, Inc.

Senator NEUBERGER's book presents a sweeping indictment of cigarette advertising and proposes some controversial Government controls over the industry.

All cigarette packages and ads, she urges, should contain warnings of the hazards of smoking. In addition Senator NEUBERGER believes that the Government should embark on an intensive advertising and educational effort of its own to "depict the dangers of smoking."

CURBS HELD NEEDED

No Government campaign against smoking will have any impact without strong restraints on advertising, the Senator writes. Just 16 percent of the population is completely convinced that cigarette smoking is "a major cause of lung cancer," she reports, and the principal reason for this skepticism is the wide latitude given cigarette advertisers.

She cites studies conducted by the American Cancer Society as indicating that "smokers rely on the continued existence of cigarette advertisements as proof that smoking could not be all that bad."

The Senator concludes: "I can think of no Government action relating to the smoking problem which would be more universally acclaimed than surgery of the malignancies of cigarette advertising."

Senator NEUBERGER urges the Federal Trade Commission to take the initiative in requiring health warnings on ads and packages. If commission actions are vitiated by the courts, she writes, then the Federal Communications Commission should step in with its enforcement powers. When a radio or television station broadcasts an offensive cigarette ad, the FCC should lift its license on the ground that the station is not serving "the public interest."

The Tobacco Institute had no comment yesterday on Senator NEUBERGER's book.

[From the Baltimore (Md.) Sun, Nov. 11, 1963]

OPPONENTS MET SQUARELY

(By Caryl Rivers)

WASHINGTON.—When Senator MAURINE NEUBERGER of Oregon picks a fight, she doesn't look around for someone her size.

The petite, fragile looking, Democratic lady legislator isn't afraid of the heavyweights. Her latest opponents are formidable ones—the tobacco industry, the Daughters of the American Revolution, and the rightwing.

In her new book, "Smoke Screen," she examines the links between smoking and cancer. She is also campaigning to change the tax-free status of the DAR and other so-called educational groups that distribute rightwing political propaganda.

A third project is more favorable legislation for working mothers. She is sponsoring a bill to increase tax deductions allowed for child-care expenses.

THE HEAT'S ON

Mrs. NEUBERGER admits she never runs away from an issue because a long, hard

fight may be in the offing. She quotes Harry Truman's favorite saying: "If you can't stand the heat, get out of the kitchen."

In her antismoking campaign, Senator NEUBERGER lashes out at the tobacco industry for failing to face up to the statistical findings that incriminate cigarettes as a major factor in the increase of lung cancer. She also criticizes cigarette advertising campaigns directed at recruiting young smokers.

"I don't want to prohibit smoking or eliminate the $8 billion tobacco industry," she says. "But I do feel the U.S. Government should do the same things that it has done with foods and drugs.

SHOULD BE LABELED

"Cigarettes should have a label listing the nicotine and tars and a warning should be included that the product may have an effect on the smoker's health. There should also be a tolerance level set for the amount of nicotine and tars allowed."

Senator NEUBERGER believes that the Government should conduct a vigorous antismoking campaign, and that the cigarette industry should be urged to police its advertising.

The Senator also says that U.S. taxpayers are subsidizing groups that specialize in anti-Semitic and anti-Catholic propaganda, and that conduct political crusades to impeach the Supreme Court, destroy the United Nations and attack the State Department as pro-Communist.

"When I join liberal groups, I have to pay to support their political activities. These rightist groups have every right to exist and to speak, but let them pay taxes, too," she says.

When she attacked the tax-free status of the DAR, Mrs. NEUBERGER said that she was supported by a great many DAR members who were upset by the activities of the group's leadership. She quotes a New York DAR chapter head who claims the organization has been "warped from its original purposes" and that "the general membership has no voice of any kind in the formation of DAR policies."

Mrs. NEUBERGER asks how the DAR can claim to be a nonpolitical organization when it has publicly opposed the Domestic Peace Corps, called the administration "subservient to the U.N.," claimed that the Federal courts are usurping the powers of the State legislatures, and called public housing and urban renewal "socialistic measures"?

WOMEN'S NEEDS

As a woman Member of Congress, the attractive blond Senator feels she is more conscious of the needs of the women of the country than are her male colleagues. Thus, she has long campaigned for a better tax break for working mothers.

"This is an area where the double standard really shows up," she says. "A man who has a business can deduct a box seat at the World Series or a theater party as a business expense, but a working mother can't deduct the cost of a housekeeper."

The Senator has introduced a bill that she says will improve the situation somewhat by allowing deductions of up to $900 for women with more than two children for nursery school costs. The maximum is now $600—whether a woman has 1 child or 10. Under present legislation, if a man and his wife earn over $4,500 a year, child care deductions cannot be taken. The new bill would up this figure to $7,000.

WATERED-DOWN STATUS

Senator NEUBERGER served on the President's Commission on the Status of Women, and her committee examined this problem.

"I wasn't at all happy with the report that was finally issued," she says. "It was watered down several times before the report was made public. So I decided to write my own bill."

Mrs. NEUBERGER is known as a champion of women's interests in the Congress. One of her longstanding campaigns has been for better consumer education.

"A workingman can stand on the picket line for days to get an increase in salary, and after he gets it, his wife can fritter it away in one trip to the grocery store."

She notes with dismay that the women who can least afford expensive "convenient foods" are the ones who use them most. To do her bit for the consumer, she writes a newsletter recommending publications dealing with housewives' shopping problems.

[From the Christian Science Monitor, Nov. 14, 1963]

STATE OF THE NATIONS—NEW DRIVE ON CIGARETTES

(By William H. Stringer)

WASHINGTON.—The tobacco industry in the United States is about to face its second rendezvous with destiny.

The first came in 1954–55 when the initial reports of a link between cigarette smoking and disease were bruited about. Cigarette sales fell. The industry turned to the promotion of filter tips and to the study of motivational research for its advertising (the Marlboro tattoo came along to suggest a spurious manliness for instance). Sales bounded up again.

Now comes the second assault, a cumulative barrage, including the "I don't smoke" advertising campaign of the American Cancer Society, the book "Smoke Screen" by Senator MAURINE NEUBERGER, Democrat, of Oregon, the increased efforts to educate teenagers in high schools, and finally, the report ready by the year's end (presumably) of the 10-expert, Surgeon General's Advisory Committee on Smoking and Health.

If this report unequivocally links cigarette smoking to lung and heart disease, as many observers believe it will, some portion of the estimated 67 million Americans who smoke cigarettes will be considering whether they shouldn't break themselves of the habit.

This doesn't automatically guarantee that they will make the requisite effort. At a recent Washington gathering to launch the Neuberger book, a publisher's representative confessed that he was a pack-a-day smoker, that he believed all of the Senator's strictures against smoking, but that he saw no way to rid himself of the desire.

Tackling the cigarette's incredible hold on Americans (it is equally strong in many other parts of the world) is no small task. The Surgeon General's report, if it is alerting and straightforward, still could be watered down, before release, by the Department of Health, Education, and Welfare or by the White House. Tobacco is a main crop for some 750,000 farm families. Three million workers are busy manufacturing and distributing tobacco products. Six southern tobacco States have key legislators in Congress. It will be argued that Government must not tamper with a major, $8 billion industry.

The Tobacco Industry Research Committee can be expected to issue obfuscating counterblasts alleging "insufficient proof" to any asserted connection with disease. Typically, the president of the Tobacco Grower's Information Committee said the other day he was confident the Surgeon General's Committee would not be "stampeded emotionally."

If a strong report is issued, should the Government then do anything? Senator NEUBERGER is prepared to propose legislation, the moment the report appears, requiring that cigarette packages carry a warning label on smoking hazards, and that the Government regulate the amount of tar and nicotine in cigarettes. New standards of acceptable advertising could be established.

Whether such measures would reduce cigarette consumption is uncertain. When the Royal College of Physicians issued a powerful report in Britain, consumption declined by 12 percent but soon rebounded. When a portion of humanity even feels that it must turn to drugs and depressants for surcease from today's tensions, instead of looking higher for support, it is obvious that a major effort—individual and collective—would be required to free people from tobacco's grip.

But surely for American youth the lesson can be driven home—through film strips, school information, and (shall one hope?) parental example. For the evidence is that those who begin smoking earliest in life go on to smoke the most packs per day—become the most confirmed smokers—as adults. And authorities agree that the best place to stop the habit is before it starts.

EXTENSION OF ECONOMIC AID TO NATIONS WHICH NO LONGER NEED IT

Mr. CHURCH. Mr. President, it is increasingly obvious that the people of the United States no longer favor aid to the prosperous countries of the world, and more important perhaps, they expect these countries to bear their fair share of our common defense costs, an undue proportion of which are now borne by the United States.

An editorial entitled "The Free Ride Can't Go On Forever," by Samuel H. Day, cogently argues this point. Mr. Day is a real "quadruple threat" journalist—an energetic reporter, a wise editorial writer, an editor, and, at times, even a cartoonist. His editorials on foreign policy are always well considered. I ask unanimous consent to have Mr. Day's recent foreign policy editorial which appeared in the November 5 issue of the Lewiston, Idaho, Morning Tribune inserted at this point in the RECORD.

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

THE FREE RIDE CAN'T GO ON FOREVER

A report from the Republic of South Africa about automobile sales in that faraway country illustrates a major problem now confronting the Western World. South Africa imports all its motor vehicles, and during 1962 West Germany replaced the United States as a main supplier of the South African market. The U.S. share of the automobile market has fallen from 25 to 9 percent in 7 years. Its share of the commercial vehicle market dropped from 40 to 23 percent. West Germany's share of the auto market has risen from 14 to 33 percent and its share of the commercial vehicle market from nil to 14 percent.

This is a rather spectacular example of what has been happening elsewhere since the end of World War II. Germany and many other nations left prostrate by the war have now recovered their economic health and strength. Not only that, they have in many cases successfully challenged their former benefactor, the United States, in the world markets. As it is with West German cars and trucks, so has it been with Japanese plywoods, British turbines, Italian motor scooters, and many other products.

The industrial nations of Western Europe, all of which were once the recipients of massive doses of American aid, now have themselves become the dispensers of foreign aid. The United States still gives the largest amount of foreign aid, but several other nations are outdoing the United States in terms of their own resources. In 1962 the foreign

aid program of France was higher per capita than that of the United States. In the same year the United States ranked behind France, Portugal, Belgium, and Germany in the ratio of foreign aid to gross national product. Quite obviously these nations are in no need of assistance from us.

The economic emergence of these industrial nations—together with the decline of the United States from its former preeminence in international trade—provides much of the impetus for the current U.S. reappraisal of its various foreign assistance programs. The economic aid program is in more serious trouble than usual in Congress because liberals have joined conservatives in the attack. The industrial powers of Western Europe for the most part no longer receive economic assistance from us. But their performance now as economic competitors and political rivals of the United States has been seized upon as an argument against economic aid. The argument is a logical one where it applies to the continued extension of economic aid to nations which have outgrown the need of it.

Equally logical are the arguments being raised with greater insistence against unquestioning continuation of military aid programs throughout the world. Military aid is essentially no different from economic aid. The nation which receives outside help for necessary military defense may safely divert the equivalent tax revenue to its economic well-being. This is what is happening now in Western Europe. Nations like West Germany are being heavily subsidized by us through military assistance while they outdo us on the world trade markets. The U.S. subsidization has been both direct, through the stationing of troops and armament abroad, and indirect through the building and maintenance of the colossally expensive nuclear deterrent, which serves all the West.

Senator FRANK CHURCH, Democrat, of Idaho, a member of the Senate Foreign Relations Committee, states the matter well in an article in the current issue of Harper's magazine:

"Let it be understood that we are there (in Europe) as invited guest * * *. Our presence in Europe is no longer a rescue mission * * * but simply a division of responsibility, as between rich equals for the mutual advantage of each.

"If we furnish our nuclear deterrent for the defense of Europe * * * then Europe must make fair exchange, including at least: 1. No further diffusion of nuclear arms, for this will involve intolerable risks, both to us and Europe itself * * *. 2. Equitable financial and economic arrangements to assist us in solving our adverse balance-of-payments problems * * *. There is no good reason why the force levels of American troops quartered in Europe should not be reduced, and the difference made up by an added commitment of European troops.

"It is essential, too, that European trade barriers against American agricultural and industrial products be reduced or removed."

The fact is that the industrialized nations of Western Europe, particularly those which have formed economic unions among themselves, now have advanced to full partnership with the United States. Their economic independence is no longer questioned. Now they must expect to share fully in the burdens of maintaining that independence. We cannot afford to continue giving them a free ride militarily, and they should not expect it.

PROJECT HOPE

Mr. KUCHEL. Mr. President, in a world torn by conflicting political ideologies on almost every side and threatened by military might in every corner, no matter how obscure, it is an all-too-rare occasion these days when one can stop for a moment and gaze upon the tranquil scene of man striving to help his fellow man.

Many throughout the world have become inured to the potential cataclysmic consequences that a few misspoken words, a few misinterpreted actions, could bring upon all mankind. Many more must reach deep within themselves to find that a spirit of brotherhood still exists in the souls of men.

But there are few—if any—of us here today who are not moved by the valiant efforts of a few Americans in their battle against disease, malnutrition, and suffering in many lands which do not enjoy the benefits of good health that most of us take for granted.

I refer to Project Hope, the People-to-People Health Foundation and the teaching-training hospital ship SS *Hope* which, at 2 p.m. today, weighed anchor in New York City and set forth on yet another medical mission, this time to Ecuador.

I pay particular tribute to the 89 physicians, dentists, nurses, pharmacists, physical therapists, X-ray technicians, medical secretaries, dietitians, medical technicians, and dental hygienists who sail aboard her, many of whom will not return to their homeland for many months.

To this dedicated group of Americans, all of us can but offer our thanks and, perhaps, the wish that we, too, might one day find the inner happiness that comes only to those who participate in such a true people-to-people effort.

Many of my colleagues in the Congress have risen to praise Project Hope and its founder, Dr. William B. Walsh.

At the risk of repetition, however, let me remind my colleagues of the nearly miraculous work of these dedicated members of the medical profession in Indonesia, South Vietnam, and Peru.

In Indonesia, the story is told of the blind farmer and his blind daughter—who had never seen each other in their lives—who traveled for 2 days by oxcart to the coast to visit the white hospital ship. Along the way, they were warned—even taunted—that the *Hope* was a rumor, that they would find nothing when they reached their destination. Yet, they found *Hope*, their eyesight was restored, the father and the daughter saw one another for the first time and as they returned home, the people along the way were dumfounded. But long queues of sick and unhealthy people had long since begun to visit the *Hope* and its outpatient clinics. When the *Hope* left for South Vietnam, the Times of Indonesia said:

> The East forgets many things but never, never loses its reverence for a teacher. Those on the *Hope* will linger long in our memory.

The story was much the same in South Vietnam. Outpatient clinics were established, and working with their counterparts *Hope's* doctors and nurses taught and trained the South Vietnamese medical personnel in American procedures and techniques while caring for the infirm. *Hope's* medical people journeyed to the delta region, and frequently the Vietcong left their wounded behind for they knew that they would receive the best of care from the "Hopies," as the *Hope* personnel were called.

When the *Hope* arrived off Trujillo in northwestern Peru last May, scarcely 20 residents of this pro-Castro area were on hand to greet the vessel. Ten months later, 45,000 people, the Castro-type beards long since removed, crowded onto the quay and dock to wave goodby. They had decorated the ship from stem to stern with garlands of flowers, many held infants in their arms who had been cured of heretofore incurable diseases by the "Hopies" and thousands wept openly and unashamedly as the ship left.

As the Peruvian pilot prepared to leave the ship he said:

> Tell your country to send people to Latin America, for this gets to the people * * * look at the thousands of peoples on the shore * * * there is living proof. They have been deeply touched by the *Hope*, their lives changed.

No—

He said—

> tell them to send more *Hope* ships.

To the more than 500 members of the medical profession who have served aboard the former U.S. Navy hospital ship in Indonesia, South Vietnam, and Peru and to the 89 leaving today, to be joined by 21 more physicians when the *Hope* arrives in Guayaquil on December 2, I offer for myself—and my colleagues as well—an expression of deep humility and gratitude that is indeed difficult to put into words.

Mr. President, I am proud of the num- of Californians participating in this voyage. I ask consent that a list of the names, titles, and addresses of members of the medical staff on this voyage be printed at this point in the RECORD.

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

VOYAGE III

Donna Adamcin, nurse, Cleveland, Ohio.
Dorothy Aeschliman, nurse, Sacramento, Calif.
Drexler Agner, medical technician, Woodland, Calif.
Ruth Anderson, nurse, Kenmore, N.Y.
Eugene Bannigan, supply clerk, Greenlawn, N.Y.
Lowell Barker, nurse anesthetist, Frewsburg, N.Y.
Michael Beahm, pharmacist, Luray, Va.
Elizabeth Berry, nurse, New Britain, Conn.
Elaine Besterman, medical secretary, Cincinnati, Ohio.
Jennie Bianchi, nurse, New York, N.Y.
Barbara Birdsall, nurse, San Francisco, Calif.
Ann Campion, nurse, Waterbury, Conn.
Edith Clark, nurse, New York, N.Y.
June Collier, medical technician, San Francisco, Calif.
Mildred Combs, medical secretary, Charlotte, N.C.
Mary Cook, nurse, Niles, Mich.
Virginia Cook, nurse, Niles, Mich.
Henry Coyne, supply clerk, Brooklyn, N.Y.
Vivian Crosswhite, physical therapist, Rochester, Minn.
Eugene Daniello, supply clerk, Rome, N.Y.
Kristena De Luz, dietician, San Jose, Calif.
Delia Dorame, nurse, Palo Alto, Calif.
Mary Elmore, nurse, Ann Arbor, Mich.
Mary Finley, nurse, Los Angeles, Calif.
Doris Fooks, X-ray technician, Lexington, Ken.

Forsythe, Paul J., Rev., minister, Richmond, Va.
Ignatia Foti, nurse, New York, N.Y.
Elaine Frevert, nurse, Washington, D.C.
Judith Gaiser, physical therapist, Washington, D.C.
Bonnie Goodwin, nurse, St. Paul, Minn.
Dorothy Grimes, nurse anesthetist, Wolcott, Conn.
Gloria Hammond, medical technician, Palo Alto, Calif.
Jackie Harris, medical technician, Columbus, Ohio.
Olive Lee Harrison, nurse, Grove City, Pa.
Martha Henderek, medical technician, Edmonton, Alberta, Canada.
Carol Hendrick, medical technician, Ann Arbor, Mich.
Elfreda Hester, nurse, Woburn, Mass.
Darlene Jeanes, medical secretary, Indianapolis, Ind.
Audrey Johanson, nurse, Pueblo, Colo.
Shirley Johnson, nurse, Grand Rapids, Minn.
Virginia Johnson, nurse, San Francisco, Calif.
Margaret Kiolet, nurse, Great Falls, Mont.
Sally Kyle, medical secretary, West Yarmouth, Mass.
Lottie Lamphere, nurse, Lansing, Mich.
Catherine Langer, medical secretary, Albuquerque, N. Mex.
Dolores Lawler, medical technician, New York, N.Y.
Mary Layman, nurse, San Jose, Calif.
Nina Ludwig, nurse, Evansville, Ind.
Elaine Mack, nurse, Cleveland, Ohio.
John F. Magner, S.J., minister, San Francisco, Calif.
Nancy Malik, nurse, San Francisco, Calif.
Rita Martin, nurse, Broughton, Kans.
Ellen Mathews, medical secretary, Washington, D.C.
Jeanne McDonald, X-ray technician, San Francisco, Calif.
Vyn Meier, sanitarian, Grand Haven, Mich.
Malcolm Metcalf, X-ray technician, Cedar Rapids, Iowa.
Ann Murphy, dietician, Valhalla, N.Y.
Shirley Norstrom, nurse, Minneapolis, Minn.
Patricia Paez, medical secretary, Arlington, Va.
Champe Phillips, physical therapy, El Paso, Tex.
Howard R. Porter, M.D., general and thoracic surgery, Oakland, Calif.
Winifred Quinn, nurse, Arlington, Mass.
Carol Renkowitz, nurse, Easton, Pa.
Ann Roden, nurse, South Bend, Ind.
Kim Sasano, nurse, Arvada, Colo.
Jonathon Schmidt, electronics maintenance, Ann Arbor, Mich.
Adelaide Schoch, nurse, San Francisco, Calif.
Barbara Schwenk, medical technician, St. Paul, Minn.
Peggy Sherwood, pharmacist, Cleveland, Ohio.
Janice Smith, medical technician, Fresno, Calif.
Ana Soto, Ph. D., medical technician, Miami, Fla.
Alfred J. Sparks, hospital administrator, New York, N.Y.
Roger Steadman, medical technician, Buffalo, N.Y.
Carolyn Strong, X-ray technician, Baltimore, Md.
Priscilla Strong, nurse anesthetist, West Hartford, Conn.
Irene Tegenkamp, medical technician, Dayton, Ohio.
Grace Tucker, nurse, Dalton, Mass.
Ethel Vande Bunte, nurse, Hudsonville, Mich.
Helen Ward, nurse anethetist, Winston-Salem, N.C.
Dorothy Webster, nurse, Boston, Mass.
Julie Wehrle, dental hygienist, Hollidaysburg, Pa.
Kathleen Williams, nurse, Seattle, Wash.
Doris Winter, dental hygienist, Pittsburgh, Pa.

BLUEPRINT FOR A STRONGER CONGRESS

Mr. KUCHEL. Mr. President, my good friend and colleague, the senior Senator from New Jersey, CLIFFORD CASE, has again demonstrated his concern about the need for improving the operations of the legislative body in which we have the honor to serve. I ask unanimous consent to place in the RECORD his article from the November 23, 1963, issue of the Saturday Review, entitled "Blueprint for a Stronger Congress."

In this article, Senator CASE suggests a number of specific ways in which we can improve congressional procedures. In my judgment, they are worth reading and pondering.

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

BLUEPRINT FOR A STRONGER CONGRESS

(By CLIFFORD P. CASE, U.S. Senator from New Jersey)

What can be done about revitalizing Congress?

There has been no comprehensive attempt to bring congressional procedures and practices up to date since the enactment of the LaFollette-Monroney Congressional Reorganization Act in 1946. Since then, our Nation has gained 2 new States, has increased its population by 50 million, and has moved into an entirely new range of international and national problems.

In looking over the activities of Congress from a perspective of 18 years of service, I recognize that there is no simple, one-shot solution. Our problems are many, and each of them may require a separate approach.

Earlier this year, I joined with Senator JOSEPH S. CLARK, of Pennsylvania, in a resolution to establish a Joint Committee on Organization of Congress to study procedures and practices with a view toward improving the efficiency of our branch of Government. Originally, I had urged that experts from the public, as well as Members of Congress, be included in a Hoover Commission type of study group, but the Senate Rules Committee in approving the resolution has decided to limit the group to Members of Congress. Unfortunately, the committee also excluded the House and Senate rules from its purview. Still, I believe we can do a good and necessary job under this resolution.

The Rules Committee accepted several of the problem areas which I included in my legislation and used them to illustrate the nature and scope of the proposed inquiry.

The first problem area is the scheduling of measures for consideration and action. Legislation is now very slow in coming to a vote during the early months of a session of Congress, with an inevitable end-of-session pile-up.

Congressional Quarterly, which keeps a boxscore on major legislation, reported at the end of September that thus far only six major bills had been enacted into law by the 88th Congress. Significantly, all six of these were enacted by almost unanimous votes, indicating that they were relatively noncontroversial. Four were routine, one was an emergency, and only one enacted any new program. The six were the corporate and excise tax extension, increasing the debt limit, aid for medical schools, the rail dispute bill, feed grains, and extension of the draft.

Perhaps of equal significance is the tabulation by Congressional Quarterly of action on proposals made by President Kennedy. Fully one-third have received no action in the House or the Senate—not even a hearing. This is not to suggest that the proposals of a President should automatically be made law, but I am concerned that many of these proposals have been buried in committee and there has been no opportunity for a vote on their merits. This points up the tremendous powers of a committee or subcommittee chairman.

A recent example concerns the wilderness bill, a major piece of legislation that has been passed by the Senate twice. It is now in a House committee with no action, not even a hearing, pending. It makes no sense that one man, chairman of a committee or subcommittee because of longevity, can block consideration of an important bill.

Delay has not only beset purely legislative measures, but has also tied up the annual appropriation bills that provide necessary funds for carrying out governmental programs. Our Government runs on a fiscal year that ends June 30. As of that date, we had passed only one appropriation bill. In fact, as of the first week of October, we had approved only 3 of the 10 major appropriations measures. This means, of course, that the Government is functioning largely on continuing resolutions that permit temporary financing, but not breaking any new ground, not permitting any shift or alteration in major congressional programs.

An example of the need for such shifts involves the public schools of the District of Columbia. The Congress has been told that the city schools desperately need 388 new teachers to keep the size of classes at something approaching a reasonable level, but the plea has been butted about and at the moment the Senate is nowhere near passing the bill. As a result, this new school year is moving along with last year's quota of teachers, and thousands of youngsters will be irrevocably harmed. This example is typical of what happens throughout the Government. As one newspaper pointed out recently: "If an indecisive and vacillating board of directors ran the financial affairs of a large corporation the way Congress handles those of the Federal Government, the disgusted stockholders would rise in wrath and throw them out of office."

I cite these facts to demonstrate the great need for expediting our present lagging procedures. Here are some of the suggested remedies which I believe are worthy of consideration: Setting a deadline for committee action on bills recommended by the executive branch, if not on all bills, and on nominations and treaties submitted by the executive branch; scheduling congressional committee meetings on Mondays, Wednesdays, and Fridays, and sessions of the full House and Senate on Tuesdays and Thursdays, and, as necessary, on Saturdays; extending appropriations bills to cover 2-year periods so that Congress may concentrate on legislation in one session and on appropriations in the next session, with due provision for consideration of emergency legislation.

A second problem is the structure, staffing, and operation of congressional committees. The role of absolute seniority in appointment to committees and especially in selection of chairmen should be reexamined. Clarification and modification of committees' jurisdictions is overdue. Rules of procedure, particularly for convening investigations and handling witnesses, should be enacted to cover all committees. The role of the House Rules Committee should be reexamined.

A third problem involves the role of Members of Congress in the appointment of postmasters and the making of appointments to military service academies and other Government agencies. Congress could eliminate politics by placing post office appointments exclusively under civil service and handling

the nominations to the various academies by civil service examinations.

A fourth problem is legislative overseeing of the administration of laws. We need a more systematic and effective method of seeing to it that the intent of Federal law is carried out. But this problem also involves not only intent but also the manner in which legislation is put into effect. One example related to this question is the Area Redevelopment Act, which has been the subject of numerous complaints that it has been used for partisan advantage.

One of the sharpest of these complaints came from Representative CLARENCE E. KILBURN, Republican, of New York, who told a House Banking and Currency Committee hearing that the ARA had dispatched a telegram to his Democratic opponent the day before his reelection last year to announce an industrial loan to repair and modernize a pulp and paper mill. The effect of the announcement, in Congressman KILBURN's words, "was electrifying." A newspaper in the area described the reaction in the job-hungry town of Norfolk in this way: "The announcement touched off a celebration in Norfolk unparalleled since the ending of World War II. Early in the evening the fire station there began sounding its horn, sirens screamed, church bells rang, and a sound truck moved through the settlement loudly exclaiming the glad news. Some report that there was dancing in the streets, and taverns overflowed for 'a drink to celebrate.'" The election was next day.

A fifth area that requires attention is the strengthening of the congressional power of the purse. We need to do a better job of coordinating congressional performance in raising and appropriating public funds. At present, Members of Congress are faced with individual appropriations bills dealing with the major departments of Government, but there is little opportunity to approach these measures with information on the effect each has on the overall Federal budget or with a thorough picture of overall Federal revenues. In short, we are asked to do the family shopping week after week without adequate information on what the annual income will be or what the total family expenses may amount to.

A sixth problem is the operation and effectivenes of existing laws related to lobbying. Recent hearings by the Senate Foreign Relations Committee on the representatives of foreign governments suggest strongly that some improvements are essential in both the provisions and administration of our lobby safeguards. The development of this relatively new activity adds another dimension to the practice of lobbying on Capitol Hill.

The Rules Committee also added two problems areas to the resolution. One is the problem of how to settle time-consuming stalemates between the House and the Senate—what kind of formal machinery can be established to solve procedural disputes and to provide a more cohesive legislative process?

Last year, in the 87th Congress, several appropriations measures were tied up for months in a dispute over where meetings of House and Senate conferees were to be held in order to adjust differences in the bills. Another problem, which has been emphasized by Senator CLARK, concerns the appointment of conferees on controversial legislation without regard to their personal position on legislation. Under present procedure, a conferee appointed to represent the Senate's position may have taken an active role opposing that very position on the Senate floor. Even if we assume the best of intentions on the part of such conferees, it is difficult to accept the view that they will be the most effective spokesmen for the Senate's position in conference with the House of Representatives.

The committee's other addition to the resolution is a suggestion that the joint committee study the extension of the services rendered by the Legislative Reference Service of the Library of Congress, including the furnishing of additional scientific and technological advice and assistance to the Members and committees of the Congress. This added item on the agenda is a recognition of the tremendous growth in legislation dealing with complicated scientific and technological activities.

I hope, too, that Congress will be given an opportunity to vote soon on two additional resolutions reported favorably by the Senate Rules Committee. The first of these would require that all debate, for at least 3 hours each day during a Senate session, be germane to the subject under discussion. At present, the House has a rule of germaneness, but the Senate does not.

A second resolution would permit standing committees to continue in session until completion of the Senate's morning hour, when it conducts routine business. At the present time, an objection by one Member of the Senate forces a committee to adjourn whenever the Senate is in session. This has been used by some Senators to stall committee action on legislation.

A third resolution, which would permit former Presidents to address the Senate upon appropriate notice to the Presiding Officer, has been approved by the Senate and is now a part of its standing rules.

While the most experienced Members of Congress would see a great deal of wisdom in the congressional reform resolution, its passage is not certain. Some Members of Congress have a vested interest in antiquated congressional procedures. For them, power and prerogatives are assured under today's system. This points up the reason for delay in acting on such legislation from within the Congress.

But there is a further handicap. There are no powerful national organizations actively pushing Congress to act on congressional reform. For these reasons, continued and expanded public interest is vital to final enactment of our proposal for a Joint Committee on Organization of Congress.

Congress isn't losing power and prestige because of what it does, but rather because of what it doesn't do. There are some who believe that an inactive Congress is the best Congress, that a Congress that bottles up legislation and therefore doesn't have to vote is the kind of Congress that protects their interests. I believe, however, that we must have a Congress that is not afraid of the issues facing our Nation and is willing to be counted on these issues.

The longer we let Congress half strangle itself in its outmoded procedures, the less significant will its role become in American Government and American life, and fewer and fewer first-rate men and women will be willing to devote themselves to congressional service. Thus, congressional ineffectiveness will feed upon itself.

But in politics, as in nature, a vacuum is abhorrent. The power and the scope of the Presidency will inevitably expand as that of the Congress declines. At some point, the breakdown of Congress could put democratic government in danger—even in the United States of America.

PRIVATE ENTERPRISE AND FOREIGN AID

Mr. KUCHEL. Mr. President, I invite the attention of the Senate to an editorial in this morning's New York Herald Tribune concerning Senator JAVITS' amendment to the foreign aid bill calling for the establishment of an Advisory Committee on Private Enterprise in Foreign Aid. The Senate adopted this amendment by an overwhelming vote.

The actions of the Senate during 3 week's debate on the foreign aid bill indicate a serious dissatisfaction with many aspects of this program as presently conceived and clearly call for a reformulation of this program which is so vital to our national security. The proposal advanced by Senator JAVITS, which springs from a suggestion made by William S. Paley, chairman of the board of CBS, is a very sound one and the advisory committee should in my judgment, play an important role in the shaping of a new and more effective foreign aid program.

The aid program should be made the primary vehicle to demonstrate the great force of private enterprise for creating conditions for human opportunity and dignity and the evolution of stable and democratic institutions in the developing world. The time has arrived to recognize that the potential for the most dramatic contribution to the economic development of the free world lies in creating opportunities for the citizens in the developing nations to apply their own skill and resources in partnership with the private enterprise of the United States and other aid donor countries and without unjustifiable interference and restraint by governments.

I ask unanimous consent to have printed in the RECORD at this point in my remarks the editorial from the New York Herald Tribune.

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

AN OPPORTUNITY FOR BUSINESS

The administration and the Congress, between them, have made and are making a pretty good hash of our foreign aid program. One laid the paralyzing hand of bureaucratic redtape upon it. The other put the ax to it. The result is something which foreign recipients themselves are now inclined to reject.

In this unhappy and unsavory state of affairs, Senator JAVITS advanced a proposal originally made by William S. Paley, chairman of the board of the Columbia Broadcasting System, in an address to the 49th National Foreign Trade Convention in New York. It is to discover "a formula, or mechanism, or set of ground rules, which will harness the colossal power, imagination and experience of American business and finance to the foreign development task."

The Senate has adopted a proposal by Senator JAVITS, offered as an amendment to the foreign aid bill, to establish an "Advisory Committee on Private Enterprise in Foreign Aid." It is to undertake the search for the formula mentioned by Mr. Paley.

Proposals for business-government cooperation have been put forward in the past. But, as Mr. Paley points out, "* * * few of the ideas have been translated into action." The way is now being opened for such action, and it would be a tragedy of the greatest proportions if what we might call the Paley-Javits plan does not win energetic support.

The opportunity is an exciting one. For if private enterprise could do in a few foreign nations a mere fraction of what it has done in the United States, new chapters in economic history would be written.

FOOD FOR PEACE

Mr. McGOVERN. Mr. President, my attention has been directed to the harvest festival issue of Agricultural Notes, prepared by the Federal Extension Service for national town and church leaders.

The publication comments that now, more than ever before, it is a time to be thankful for what we are able to give and suggests that we stop to think of our good fortune in being able to share our bountiful harvests with peoples around the world.

The brief résumé of the food-for-peace program is a splendid account of the history and accomplishments of that program, which this Congress has made possible so our abundance can be shared, and in which the Members of Congress can take great pride.

Mr. President, I ask unanimous consent to insert the harvest festival issue of Agricultural Notes at this point in the RECORD.

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

THIS THANKSGIVING—GIVE THANKS FOR GIVING

In just a few weeks, families all across rural America will pause to celebrate Thanksgiving. It's a time for counting the blessings of a bountiful harvest. Traditionally, it's a time for giving thanks for what we receive.

Now, more than ever before, it's a time to be thankful for what we are able to give—possibly even more than for what we receive. For the moment, pause to ponder the meaning of the giving in Thanksgiving, while remembering that our thanks is for the most bountiful harvests any nation has enjoyed in the history of the world.

FOOD FOR PEACE: A GREAT LESSON IN GIVING

Nearly a decade ago the people of America set forth on a great crusade against world hunger—a crusade of giving—a sharing of the abundant harvest of American agriculture. Since then, needy people around the world have received more than $12 billion worth of food and fiber from the United States, either as an outright gift or on special concessional sale terms.

This vast program is carried out under authority of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954. It provides authority for concessional sales—and gifts—of surplus U.S. agricultural commodities to friendly foreign nations. This great humanitarian effort to eliminate hunger from the face of the earth has become known around the world as food for peace.

What is food for peace? Food for peace is many things to many people. To a starving child in Pakistan it is life. To a schoolboy in Bolivia it is lunch. To a small girl in Hong Kong it is a bowl of rice. To 92 million people in more than 100 countries around the world it is part of their daily food.

Church members of all faiths support the food-for-peace program through such organizations as Church World Service, Catholic Relief Services, Lutheran World Relief, and the American Joint Jewish Distribution Committee.

Food for peace helps feed children

Food for peace is a great blessing to more than 40 million children in 91 countries who eat food from American farms every day in school lunches. Take the true story of Jose, a thin, undersized boy who did not start school in a suburb of Rio de Janeiro until he was 12 years old. Jose's first year in school was a trying one. He was often sick. He also had to work hard at home, helping to take care of his 13 brothers and sisters. No lunch was served at school that first year. Jose failed to pass first grade.

A school lunch program, using wheat from the Great Plains of the United States and powdered milk from American dairy farms, was started midway through the school term in Jose's second year in school. Jose, who until that time was chronically absent again and who was in danger of having to spend a third year in the first grade, started coming to school regularly. By the end of the school term in December, just 3 months after the school lunch program started, Jose had gained 9 pounds and had grown 2½ inches. He passed into second grade. For Jose, and millions more like him, we can be thankful for our abundance of food—and for the opportunity of giving to those in need.

In some areas of the world the food-for-peace school lunch is the only square meal the child gets all day. It not only increases the child's learning capacity, but also encourages many children to go to school in the first place. Food for peace helps the child while he is young—while he can be helped the most. It also helps children to stay in school, as was the case with Jose.

In Bolivia and Peru, for example, it is estimated that rural school attendance has nearly doubled since the school lunch program began. In June of last year, the United States was helping to feed 11 percent of the school-age children in Latin America—one out of nine. Today, we are reaching about one out of four of those children. Within a year we expect to feed one out of every three school-age children in Latin America. Worldwide, children feeding programs have been increased 13 percent in the last 6 months.

American food is building schools

Food from America is doing more than feeding schoolchildren; it is also helping to build the schools which they attend. For example, on the shore of Lake Titicaco, more than 12,000 feet high in the mountains of Bolivia, 30 small children attend a new school. It was built by their fathers and a handful of Bolivian soldiers—and by the people of the United States.

This new school is a modest adobe brick structure. Building materials for the little school came from the land on which it stands. Chocolate-hued mud was scooped up, mixed with straw from nearby farms and molded into bricks. Rocks from the mountain were hewn by hand and used for the floor. The 10 Bolivian soldiers and 30 fathers who built the school were paid in beans, flour, dried milk and cornmeal—all produced on American farms and donated by the people of the United States. The school at Lake Titicaco is just one of 100 new schools in Bolivia alone made possible by generous giving by American people.

Food for peace gives hope to disaster victims

When disaster strikes, American food is rushed to the scene through voluntary agencies such as Church World Service, Red Cross, CARE, Catholic Relief Services, Lutheran World Relief, and United Nations agencies such as UNICEF and UNRWA. Those organizations have distributed more than $2 billion worth of American foods to victims of hurricanes, floods, earthquakes, droughts, and other disasters.

Victims of a severe earthquake in Iran, for example, were eating American food within 24 hours after the disaster struck, leaving 10,000 injured and 40,000 homeless. Eighteen days later, nearly 1,500 tons of food had been given to 15,000 families in more than 200 villages.

When crops were wiped out by 2 years of drought, flood, and army worms in Kenya, Africa, the American people once again demonstrated their spirit of compassion through giving. Voluntary agencies—using food donated by the American people—supplied local tribes with 34,000 tons of corn, 2,500 tons of dry milk and 1,300 tons of edible oil—about $8 million worth of food. Some of this food was used to pay wages of local workers who rebuilt bridges, roads, and other flood-destroyed public property.

This year, 238 food distribution programs of this type are being carried out through the facilities of 19 relief agencies. These are voluntary groups of Americans—both religious and nonsectarian—whose members and supporters contribute money, time, and labor to help less fortunate people in other lands. These voluntary agencies will distribute more than $300 million worth of American food to nations abroad this year.

Food for peace is paying wages, promoting progress

More than half a million workers—many of them formerly out of work—now receive part of their daily wages in food from the United States. This program, which emphasizes the dignity of labor, is bringing all kinds of local progress in developing nations—the building of roads, irrigation systems, powerplants, public buildings. It is also planting new forests and opening up new areas for settlement. Workers not only get the food they need for their families, they are working to build better communities.

Food for peace is building future cash markets

Biggest food-for-peace shipments are made through special concessional sales to countries still unable to pay dollars for our farm products in the world market. Instead, these countries buy with their own currency. Much of this is granted or loaned back to the country for economic development projects such as building roads, schools, dams, and public buildings. Over $200 million of this soft currency was also used last year to help defray costs of U.S. official activities in these countries, such as market development and military needs.

A certain amount is set aside, however, for promoting further cash sales of American farm products in industrialized nations able and willing to pay dollars for U.S. agricultural products. Food-for-peace generated currencies are being used to promote sales in Europe and Japan, the largest dollar markets abroad. Market promotion activities run the gamut—from food exhibits to paid advertising.

Thus, food for peace is building markets two ways: in industrialized countries through market promotion, in developing countries through economic development.

OTHER PROGRAMS, LIKE FOOD FOR PEACE, FIGHT BATTLE AGAINST HUNGER

Food for peace—though the largest—is by no means the only effort of the American people to share their abundance with hungry people in other lands. The freedom-from-hunger campaign of the United Nations, for instance, is a great joint effort in this struggle against the twin foes of mankind—hunger and poverty. Late this summer more than 1,000 delegates from 100 countries met in Washington, D.C., at the World Food Congress to consider ways to supply food urgently needed in 61 countries of the world.

In addition, the United States has pledged $50 million in commodities and cash to a 3-year multilateral world food program sponsored by the Food and Agriculture Organization of the United Nations.

But food for peace remains the major program for sharing abundant American food supplies with the rest of the world.

(NOTE.—We are indebted to the Office of Information and the Foreign Agricultural Service of the Department for compiling the material for this issue.)

Sincerely,

PHILLIP F. AYLESWORTH,
Program Relationships.

QUALITY STABILIZATION LEGISLATION

Mr. SCOTT. Mr. President, amid the partisan charges and propaganda being

disseminated by special interests against the quality stabilization bill, it is indeed refreshing to come upon a serious, objective and lucid analysis of this vital legislation.

Such an analysis, thoroughly researched and carefully reasoned, was recently presented in a five-part series by Mr. Earl Lifshey, published in Home Furnishings Daily.

No better analyst could be found to study the necessity and meaning of quality stabilization legislation than Earl Lifshey. He is an expert in the highly specialized field of retail economics, and his pinpoint dissection of this complex issue should be read and considered by the interested public and by every Member of Congress.

The question of survival of America's independent retailers is vital to all segments of the national economy. Mr. Lifshey is to be commended for his important contribution toward an understanding of this problem and of quality stabilization's role in solving it.

With unanimous consent, I therefore ask permission to place Mr. Lifshey's analysis in the CONGRESSIONAL RECORD.

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

[From the Home Furnishings Daily, Oct. 14, 1963]

IF YOU ASK ME

(By Earl Lifshey)

(First of a series)

Now the U.S. Senate, which has been pondering legislation in the battle over civil rights, has begun consideration of a proposed law in the battle over some other but proportionately precious rights.

I refer to the battle over the property rights of businessmen engaged in marketing as set forth in the pending quality stabilization bill.

It is a fight about a law with a very elementary, basic objective: To establish and insure the same rights of free enterprise, in the true meaning of that term, to everyone competing in the marketplace for the consumer's dollar instead of permitting only some to enjoy special rights as they do now.

The whole point and purpose of the quality stabilization bill is that simple and fundamental. As a result, the House Committee on Interstate and Foreign Commerce, after extensive hearings, has already reported favorably on it and recommended that it be passed.

Our American sense of fairplay demands that all contestants have an equal opportunity to compete for the winning honors. I know of no one, for example, who has ever advocated eliminating the Queensbury Rules in boxing or playing a ball game without an umpire. Such equality of opportunity and fairplay is as desperately needed in the competition of America's marketplace as it is in the sports stadium.

That may be too much to expect in this day and age. But the very least we can do, it seems to me, is to have the moral integrity and the intellectual courage to put an end to those conditions which permit some to enjoy unfair advantages through special privilege. And that is precisely what the quality stabilization bill is designed to do.

The provisions of this bill are quite simple but since there are still those who appear confused about its terms, let me repeat them in the language of the House Commerce Committee:

"The bill would authorize the owner of a brand name or trademark, if he so desires, to protect his property right in the brand name or trademark by revoking the right of any person to use his identifying marks in the resale of goods if such person has engaged in bait merchandising with respect to such goods, has sold or offered for sale such goods at prices other than those established by the owner, or has published misrepresentations concerning such goods." The committee also spelled out the protection the proposed law affords the consumer:

"In order for the owner of a brand name or trademark to take advantage of this quality stabilization bill, the goods he sells must be in free and open competition with goods usable for the same general purpose and available to the public from sources other than such owner. In other words, the branded goods must be competitive with similar articles on the market.

"This competition protects the consumer from having to pay exorbitantly high prices for branded merchandise because the owner of the brand must set his price as low as possible in order to compete successfully. At the same time, the price set for the branded merchandise would be calculated as to enable the owner and all his distributors, including the local retailer, to make a reasonable profit.

"This legislation, of course, does not guarantee them a profit, but merely offers them the assurance that whatever price the owner of the brand establishes for his wholesalers and retailers will be observed. The owner of a brand name or trademark is entitled to this protection."

It isn't surprising that the discount fraternity, alarmed that their special interests and advantages would be sharply curtailed by the passage of this law, are bitterly opposed to it. What is surprising is the amount of opposition and criticism based entirely on completely unfounded concepts of the bill and utter ignorance of what it would do. Senator THRUSTON MORTON, Republican, of Kentucky, put it well the other day when he declared:

"The campaign against this bill reflects the worst tricks of the professional propagandist: 'Tell a lie—keep repeating it—until finally it is accepted as the truth.' * * * Someone has organized this vicious, high-priced campaign against the quality stabilization bill. A sharp hatchet is being wielded."

[From the Home Furnishings Daily, Oct. 15, 1963]

IF YOU ASK ME

(By Earl Lifshey)

(Second of a series)

"What's yours is mine—what's mine is my own."

Those nine little words sum up the predatory, rapacious philosophy of those retailers, especially the so-called discounters, who are so violently opposed to the quality stabilization bill now before Congress.

Retailers, of course, generally have the right to compete for the customer's dollar at whatever prices they think are to their own best interests. They can, as many do, establish their own private brands for this purpose—and also sell them at prices of their own choosing.

Under our concepts of free, competitive enterprise, no one would deny them those rights—provided the manufacturers of such merchandise are granted the same rights and equal freedom of choice.

Now, however, with certain exceptions, manufacturers who believe they can compete most effectively for their share of the consumer's dollar with a policy of maintained prices are denied that choice. But what is even worse, from the standpoint of elementary justice, is that there is nothing to prevent retailers from using a manufacturer's property—his brand name or trademark—to further their own interest regardless of the manufacturer's wishes or the consequences to his property.

It is that great inequality which the quality stabilization bill is designed to correct. It would replace the badly warped, free-for-all-on-one-side kind of competition with real free and equal enterprise. Achieving that is the real issue of this whole battle. And it is important to always remember that fact regardless of the many deceptive smokescreens of unrelated issues and shameful distortions of facts which the opposition so desperately drags into its arguments.

Meanwhile, the discounters, who invariably like to have their cake while they eat somebody else's, have stepped up their opposition to this legislation. Hardly had the House Commerce Committee announced its recommendation that it be enacted into law when the discounters sounded a call to arms.

Out West, for example, one group calling itself the Allied Consumer Association of California (how those guys love to wear whiskers and masquerade as "consumer" organizations) met and voted to send two delegates to a meeting on the subject in Washington.

Here in the East, another group of discounters, alarmed that the QSB, if passed, would attack the very roots of low-margin retail operations and pose a threat to our industry's survival have formed the Committee for Competitive Prices.

Of course, the QSB isn't a threat to the survival of mass merchandising, and they know it. But it is—and is designed to be—a direct threat to the special privilege of footballing other people's property the mass merchandisers now enjoy, and they know that too.

The Committee for Competitive Prices seems well named. It shows again that while the discounters are obsessed with the price of everything they are concerned with the value of nothing when it concerns free and equal enterprise.

Typical of the kind of attacks the discounters make is an almost-full-page ad which the Shoppers' Mart Discount Stores recently ran in the Denver Rocky Mountain News. The whole upper half is given to a coupon which readers are urged to sign in opposition to the QSB. Quoting an old Justice Department survey which purported to show that "people in States with fair trade laws pay from 19 to 27 percent higher prices," the coupon goes on to state: "I vote against this bill that would raise my cost of living 19 to 27 percent as testified by the Department of Justice."

As the records prove, fair-traded items never have constituted more than a very small—10 to 15 percent—portion of all goods sold, so it requires a special kind of skill to be able to twist that fact into the statement that it increases the cost of living 19 to 27 percent.

But apparently Shoppers' Mart has a lot of such skill for while it is unquestionably a retail operation it claims in big type that "You never pay retail at Shoppers' Mart." The real payoff, however, is the offering of 17 items in the ad in which the store's price is compared with the "fair trade price"—all of which might be very impressive except that Colorado hasn't had a fair trade law for a long, long time.

[From the Home Furnishings Daily, Oct. 16, 1963]

IF YOU ASK ME

(By Earl Lifshey)

(Third of a series)

Remove the identifying trademark from any well-known product and the retailer who was ready to buy it before won't do so now. He has good reason. For the trademark of such a product provides immediate public recognition and acceptance for it; without it

all that remains is just so much material of unknown quality and reliability.

And yet retailers, when they buy a well-known branded item continue to assume they do not only have complete ownership of it, but that they are, therefore, rightfully entitled to do with it as they wish—including the right to sell it at or below cost, regardless of the consequences to the manufacturer who owns the trademark in question.

Well, they're wrong * * * dead wrong. That they have been and continue to be able to get away with it doesn't change matters. Nor does the fact that, thus far at any rate, our national laws are inadequate to cover the situation. The proposed quality stabilization bill is designed specifically, among other things, to spell out the ethical and legal principles involved, principles which, it should interest and impress everyone concerned, were enunciated by the U.S. Supreme Court 27 years ago in the now famous case of *Old Dearborn Distributing Co.* v. *Seagram Distillers' Corp.*

The frailties of human nature and the vicissitudes of life being what they are, our laws often lag far behind our requirements. The lack of an adequate and properly effective national law covering this matter of a manufacturer's trademark property right is a case in point. The QSB, as I've indicated, will correct that deficiency—a correction which is long overdue.

It's a very safe bet, you can be sure, that no retailer would stand by and do nothing if and when—heaven forbid—a manufacturer were to take that retailer's private brand line and promote it at cut prices. And the retailer would have every right to stop such abuse of his brand name—his property.

By what law of logic, therefore—if not yet the law of the land—should a manufacturer be denied the same right to protect his brand name, his property, should he require it? The answer, of course, is that he is fully entitled to it and it should not be denied. That is precisely what the Supreme Court ruled in 1936 and since it's of such vital importance, you can read the key excerpts from it right now:

"It is contended that the statute (Illinois fair trade law) is a price-fixing law, which has the effect of denying to the owner of property the right to determine for himself the price at which he will sell. Appellants invoke the well-settled general principle that the right of the owner of property to fix the price at which he will sell it is an inherent attribute of the property itself, and as such is within the protection of the 5th and 14th amendments.

"We find nothing in this situation to justify the contention that there is an unlawful delegation of power to private persons to control the disposition of the property of others.

"We are here dealing not with a commodity alone, but with a commodity plus the brand or trademark which it bears as evidence of its origin and of the quality of the commodity for which the brand or trademark stands. Appellants own the commodity; they do not own the mark or the goodwill that the mark symbolizes. And goodwill is property in a very real sense, injury to which, like injury to any other species of property, is a proper subject for legislation.

"Goodwill is a valuable contributing aid to business—sometimes the most valuable contributing asset of the producer or distributor of commodities. And distinctive trademarks, labels and brands are legitimate aids to the creation or enlargement of such goodwill. It is well settled that the proprietor of the goodwill 'is entitled to protection as against one who attempts to deprive him of the benefits resulting from the same, by using his labels and trademark without his consent and authority.'

"There is nothing in the act to preclude the purchaser from removing the mark or brand from the commodity—thus separating the physical property, which he owns, from the goodwill, which is the property of another—and then selling the commodity at his own price, provided he can do so without utilizing the goodwill of the latter as an aid to that end.

"There is a great body of fact and opinion tending to show that price cutting by retail dealers is not only injurious to the goodwill and business of the producer and distributor of identified goods, but injurious to the general public as well. The evidence to that effect is voluminous."

Well, that's what the Court said.

[From the Home Furnishings Daily, Oct. 17, 1963]

IF YOU ASK ME

(By Earl Lifshey)

(Fourth of a series)

"Some people," wrote that brilliant Polish satirist, Stanislaw Lee, "like to understand what they believe in. Others like to believe in what they understand."

Nowhere is that more evident than in Washington where some officials, speaking with the courage of ignorance, persist in promulgating their particular concept of free, competitive enterprise—even if that concept ends up killing not only the competitors, but their enterprises as well. Their lack of real understanding of the problems of pricing is exceeded only by the amazing conclusions at which they arrive concerning those problems.

Fifty years ago, long before America had learned enough from costly experience in the marketplace to come up with the proposed quality stabilization bill as a fair and practical solution to some of its worst problems of distribution, one of its greatest minds voiced some views on distribution that are even more timely now than when they were written.

"There must be reasonable restrictions upon competition, else we shall see competition destroyed," wrote Justice Louis D. Brandeis in a letter to Robert M. La Follette, Sr., on May 26, 1913. Two years earlier, in a brief to the Interstate Commerce Commission, he declared: "Unrestricted competition, with its abuses and excesses * * * prevents that natural development which should attend rivalry and which gives success to those who contribute most to the community by the development of their own business. * * * It substitutes devious and corrupt methods for honest rivalry * * * its purpose is not to excel but to destroy."

Such lucid logic stands in striking contrast to the testimony of FTC Chief Paul Dixon last week during the Senate Commerce Committee hearing on the quality stabilization bill in which he repeatedly tried to show that the bill would eliminate competition.

One of his objections, for example, is that "It provides for the determination of resale prices by noncompetitive forces," since the bill gives manufacturers that right if they wish to use it. In other words, it's obviously his understanding that once a manufacturer has sold his goods to a retailer he need never give them a second thought, since at that point he has become a noncompetitive force. Such a revelation will come as real news to most manufacturers I know. It shows the conclusions one can reach by believing only in what one understands.

But that's not all, by any means. Mr. Dixon objects to the bill because, in his view, it permits price maintenance by private agreement. Who then, I wonder, should set the proposed retail price on his merchandise if not the manufacturer—the FTC?

He voices a strange concern that the enactment of this bill "may well result in a marked increase in the offering for sale under private labels identical goods to those sold under trademarks." It might help his understanding of the facts if one of his investigators were to poke around the marketplace a little bit on this matter. Then Mr. Dixon would know that the growth of private label merchandising has already reached record proportions.

But private brands, he would learn—and should have known—have developed as they have not because of any national price maintenance law but because of the lack of it. Retailers, so desperate for the vital profit no longer available on price-cut merchandise, have in self-defense been resorting more and more to their own brands and on which they are privileged to maintain prices. By what law of logic, Mr. Dixon, shouldn't a manufacturer be entitled to exercise the same right if he so desires?

The most amazing point in all of the FTC Chief's revealing testimony is his contention that while the public has the right to voice objection to the rates of public utilities, the QSB, which gives manufacturers the right to set retail prices, nevertheless provides "no such protection" for consumers. Does he imply thereby that consumers should have the legal right to approve—or disapprove—the price of branded merchandise before they buy it? Is it his idea, I wonder, to make a public utility out of all consumer goods producers?

Somebody ought to tell that gentleman that consumers need no such Government authorization. They already have it in their freedom of choice. Moreover they judge an article not only on price—as some would imply—but value as well. And from their verdict there is absolutely no appeal—not even to the FTC.

Manufacturers should also enjoy that same freedom of choice, that same liberty. Liberty, we all learned in school is far different from and doesn't mean license. Competition, at least under our concept of free and equal enterprise, many people apparently still have to learn, is far different from and shouldn't mean confiscation. The quality stabilization bill would go far to help establish that distinction.

[From the Home Furnishings Daily, Oct. 18, 1963]

IF YOU ASK ME

(By Earl Lifshey)

(Fifth of a series)

"Americans should be under no illusions as to the value or effect of price cutting."

That warning comes not from a merchandiser with special interests or prejudiced viewpoint. It comes from one of America's most eminent legal minds, the late great Justice Louis D. Brandeis of the U.S. Supreme Court, whose brilliant reputation for lucid logic and sound philosophy is unsurpassed.

But what makes his warning especially significant is that it is as vital and applicable today as when he wrote it nearly half a century ago in an article in Harpers Weekly, November 15, 1915. His views about the property rights of businessmen engaged in marketing—which appear in many of his other articles as well—provide eloquent testimony in support of the basic philosophy of the proposed quality stabilization bill. The character and color of the marketplace has, of course, changed over the years, but the fundamentals between right and wrong are exactly the same, as he so clearly reveals in the Harpers article which follows:

"If a dealer is selling unknown goods or goods under his own name, he alone should set the price; but when a dealer has to use somebody else's name or brand in order to sell goods, the owner of that name or brand has an interest which should be respected. The transaction is essentially one between the two principals—the maker and the user. All others are middlemen or agents; for the product is not really sold until it has been bought by the consumer.

"Why should one middleman have the power to depreciate in the public mind the value of the maker's brand and render it unprofitable not only for the maker but for other middlemen? Why should one middleman be allowed to indulge in a practice of price cutting which tends to drive the maker's goods out of the market and in the end interfere with people getting goods at all?

"The evil results of price cutting are far-reaching. It is sometimes urged that price-cutting of a trademarked article injures no one; that the producer is not injured, since he received his full price in the original sale to jobber or retailer; and indeed may be benefited by increased sales, since lower prices ordinarily stimulate trade; that the retailer cannot be harmed, since he has cut the price voluntarily to advance his own interests; that the consumer is surely benefited because he gets the article cheaper. But this reasoning is most superficial and misleading.

"To sell a dollar watch for 67 cents injures both the manufacturer and the regular dealer; because it tends to make the public believe that either the manufacturer's or the dealer's profits are ordinarily exorbitant; or, in other words, that watch is not worth a dollar. Such a cut necessarily impairs the reputation of the article, and, by impairing reputation, lessens the demand.

"It may even destroy the manufacturer's market. A few conspicuous cut-price sales in any market will demoralize the trade of the regular dealers in that article. They cannot sell it at cut prices without losing money. They might be able to sell a few of the articles at the established price; but they would do so at the risk to their own reputations. The cut by others, if known, would create the impression on their own customers of having been overcharged. It is better policy for the regular retailer to drop the line altogether.

"On the other hand, the demand for the article from the irregular dealer who cuts the price is short lived. The cut-price article cannot long remain his 'leader.' His use for it is sporadic and temporary. One 'leader' is soon discarded for another. The cut-price outlet is closed to the producer; and, meanwhile, the regular trade has been lost. Thus a single prominent price cutter can ruin a market for both the producer and the regular retailer. And the loss to the retailer is serious.

"On the other hand, the consumer's gain from price cutting is only sporadic and temporary. The few who buy a standard article for less than the value do benefit—unless they have, at the same time, been misled into buying some other article at more than its value. But the public generally is the loser; and the losses are often permanent.

"If the price cutting is not stayed, and the manufacturer reduces the price to his regular customers in order to enable them to retain their market, he is tempted to deteriorate the article in order to preserve his own profits. If the manufacturer cannot or will not produce his price to the dealer, and the regular retailers abandon the line, the consumer suffers at least the inconvenience of not being able to buy the article.

"Americans should be under no illusions as to the value or effect of price cutting. It has been the most potent weapon of monopoly—a means of killing the small rival to which the great trusts have resorted most frequently. It is so simple, so effective. Farseeing organized capital secures by this means the cooperation of the shortsighted, unorganized consumer to his own undoing. Thoughtless or weak, he yields to the temptation of trifling immediate gain, and, selling his birthright for a mess of pottage, becomes himself an instrument of monopoly."

WE MUST PRODUCE MORE GOLD

Mr. GRUENING. Mr. President, for varying reasons and from differing motivations, there is widespread concern both abroad and in the United States about the problem of disappearing supplies of gold.

As chairman of the Minerals, Materials, and Fuels Subcommittee of the Senate Committee on Interior and Insular Affairs, and as a Senator from Alaska, I have been particularly interested in the problem we face in the United States by the virtual disappearance of a gold-mining industry. The facts have been repeatedly recounted.

Solely due to arbitrary actions of the Federal Government it has, for many years, been impossible to operate a profitable gold-mining enterprise. The inflexible price of $35 an ounce which was set in 1934; the fact that the Treasury Department is the only customer for ore; the fact that the gold-mining industry was shut down completely by order of the War Production Board during the Second World War, whereas no other gold-producing nations allied with us in the war effort did so—these are the reasons gold miners can no longer earn a living at the business they know.

Repeatedly, Members of Congress from gold-mining States have attempted to make gold mining once again a flourishing enterprise. During the last session of Congress a great deal of consideration was given to Senate Joint Resolution 44, introduced by Senator CLAIR ENGLE, which would have authorized payment of subsidies to gold miners at a rate of $35 an ounce. In July of this year I held hearings on two measures, S. 1273 and S. 100, which represented different approaches to a solution of problems of the gold miners. Without exception, it was impossible to act on these bills because the opposition of the Treasury Department was so clear as to make a veto inevitable even if legislation could have been enacted.

Despite repeated pleas to the executive branch of the Government for assistance in devising legislation that would meet objections to earlier legislative proposals and aid the gold mining industry, no suggestions whatever have been made that would meet these criteria.

Accordingly, the Minerals, Materials and Fuels Subcommittee has reported to the full Interior and Insular Affairs Committee the proposal of the subcommittee for legislation to aid gold miners. I refer to S. 2125 which I introduced together with Senators BARTLETT, BIBLE, KUCHEL, and METCALF. The principle of S. 2125 is that domestic gold miners are entitled to compensation by the Federal Government for differences in costs of production between those in 1940—our peak production year—and present-day costs. Our premise is that, since the rigid price of gold makes it impossible for gold miners to operate profitably because of the enormous increases in all costs of equipment and operations, the means for equalizing this situation is to allow gold miners to be compensated for the losses they would suffer if gold is to be produced.

While our concern is, of course, directed to the American gold mining industry, we are aware the inflexible price of gold set by the United States is resulting in a potential international shortage of gold.

As evidence of this, I call the attention of the Senate to a very interesting article appearing in the Wall Street Journal on October 23, 1963, describing the difficulties faced by South African producers of gold. It appears that South Africa, which last year produced 25.5 million ounces of gold—as compared with U.S. production of 1.5 million ounces—is now being confronted with the same difficulties resulting from increased costs of operation with no increases in price of product that have virtually destroyed the American gold mining industry.

The Wall Street Journal points out, commenting on the result of a consequent reduction in supplies of gold:

> If so (supplies are diminished), the effects would be felt all over the world. Gold is the ultimate means of financing international transactions, including trade in all kinds of goods and services, and movements of capital investment funds from one country to another. A nation incurring a debt in transactions of any kind with another country usually settles by paying either in gold or in U.S. dollars, which can be turned into the U.S. Treasury in exchange for gold.

While the intricate relationship between gold as a mineral and gold as a symbol of monetary stability greatly complicates solutions to gold shortages, there seems to be no doubt the world may soon be confronted with a real shortage of gold. This would certainly indicate a need to develop supplies of gold known to be available.

Therefore, I believe it is of great importance that legislation be enacted that will have the effect of increasing gold production in the United States.

I ask unanimous consent that the full text of the article "Gold Gloom" of the Wall Street Journal of October 23, 1963, be printed in the RECORD, as well as the draft of the revised bill, S. 2125, to revitalize the American gold mining industry.

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

GOLD GLOOM: SOUTH AFRICAN MINING BOOM NEARS END; WORLD TRADE COULD FEEL PINCH—MORE MINES SHUT THAN OPEN AS NEW DISCOVERIES LAG, UNDERGROUND COSTS RISE

(By Ray Vicker)

WELKOM, SOUTH AFRICA.—In the past 67 years, the saying that "there's gold in them thar hills" has come true in South Africa as nowhere else on earth. But, to the possible future discomfort of international trades, there's a big catch to it these days.

The gold is there all right. Each year South Africa digs over half the gold mined in the world, and 1963 will be no exception. Production is expected to set a record for the ninth straight year, at 28 million fine ounces.

But the gold is no longer easy to mine. As rich seams (called reefs) pay out, mines are boosting output by intensive working of thinner, poorer deposits. The high cost of doing this is beginning to take a toll of marginal producers. And no new discoveries have come along to relieve the pressure.

STEEP SLIDE COMING?

Result: With mine closings already outnumbering openings, executives warn production is pretty sure to top out soon. This probably won't happen in 1964; production then is expected to rise to 30 million ounces. But "output should level off in 1965, followed by a steep slide in production" in later years, says W. J. Busschau, chairman of Goldfields of South Africa, Ltd., in Johannesburg.

If so, the effects would be felt all over the world. Gold is the ultimate means of financing international transactions, including trade in all kinds of goods and services, and movements of capital investment funds from one country to another. A nation incurring a debt in transactions of any kind with another country usually settles by paying either in gold or in U.S. dollars, which can be turned into the U.S. Treasury in exchange for gold.

There's no danger the gold supplies on which these money movements are based will shrink. Nearly all the estimated $73.5 billion worth of gold ever mined is still in use, minus only whatever has been lost in shipwrecks or buried and forgotten, and every new ounce mined adds to the total. The metal is so indestructible that the gold in a living American's tooth might well have been mined by the slaves of an Egyptian Pharaoh.

FEAR OF A SQUEEZE

But, even with South African gold production still rising, some monetary authorities fear the increase in world trade and money movements already is dangerously outrunning the increase in the world's reserves of gold and gold-backed dollars. They liken this situation to a poker game in which the players try to raise their bets without having enough chips.

So a leveling of South African production could produce a squeeze. Since 1929 this Nation has dug about a fourth of all the gold ever mined in history, and since 1886 a third. Last year it mined 25.5 million ounces, which went into Government vaults, bracelets and jewelry for Asiatic gold hoarders, and pocket-sized bars for European hoarders. Russia, mining an estimated 6 million ounces, ran a distant second; Canada, mining 4.2 million ounces, was third. The United States, mining 1.5 million ounces, was even more heavily outclassed.

In the past decade, South Africa has come through handsomely with the required production boosts. Last year's output more than doubled the 11.9 million ounces mined in 1953.

But the increases have come largely because of the $1 billion mines have spent developing new properties since World War II, says P. H. Anderson, president of the Chamber of Mines in the Transvaal and Orange Free State mining areas. Much of this has been spent near Welkom (pronounced Velcome), where refuse heaps of 11 producing mines rise today; the mines work big new deposits discovered just before the war.

FEW NEW PROPERTIES

No discoveries of similar magnitude are being made today. In all South Africa, only one new gold mine is starting production, and only two other promising properties are being developed, says H. C. Koch, manager of gold operations for Anglo American Corp. of South Africa, Ltd., the world's largest gold mining company.

So, to maintain output, mines increasingly are being forced to work gold reefs that bear little resemblance to the original South African find of a drifter named George Walker. Mr. Walker in 1886 stumbled over a rock near Johannesburg; bending over to rub his stubbed toe, he saw the gleam of gold.

Today, the gold reef in Anglo American's Western Holdings Mine near Welkom is a 4-inch-wide band of pebbly ore sandwiched between quartzite rock; the band slopes downward at a 45° angle and is now being worked 2,600 feet below the surface. Miners dig on hands and knees in a chamber 3½ feet high called a stope; a visitor reaches them by crawling through a tunnel and past steel pit props that keep the stope roof from collapsing. In helmet light the reef doesn't gleam: it looks like petrified gravel rather than gold.

Nor is this reef the deepest or most expensive now being worked. Crown Mines in Johannesburg has produced more gold than any other mine known to history; since 1897 it has dug over 43 million ounces, or about as much as the whole world produced last year. But to maintain output now it has had to burrow to a reef 10,000 feet below Johannesburg and air condition the working chambers; otherwise the temperature at that depth would rise to 130° and miners couldn't work. Partly as a result, it's losing money. In the first half of 1963 it dug 156,916 ounces of gold at a working cost of $35.17 an ounce—17 cents more than the gold sells for on world markets.

Crown isn't alone. The Rose Deep Mine near Johannesburg dug 12,303 ounces of gold in the first half of 1963 at a still higher working cost of $38.43 an ounce, and also lost money. The City Deep Mine in Johannesburg reported a first half loss of $325,523 on 147,206 ounces of gold mined, which works out to a loss of $2.21 an ounce. At least three other mines also reported January-through-June losses.

The losses already are putting some mines out of business. Three closed last year, even as the industry was achieving a production record, leaving 55 gold mines still producing. Of these, the Ellston Mine will close soon, and six more have announced intentions to shut down this year or next. Once they do, it's doubtful they'll ever reopen; when a gold mine closes water usually floods its shafts and costs of restarting are often prohibitive.

The toll may grow, too. Another eight mines, including Crown, are considered marginal; either they are already losing money or their operations are dropping toward the break-even point. In gold mining this comes when only a fourth to a fifth of an ounce of gold is recovered from each ton of rock removed from the reef.

For the time being, these mines are hanging on, hoping that new efficiencies can reduce costs. But their prospects are dubious. South African gold mining costs have been rising an average of 2.5 percent a year, as gold reefs get harder to work, and few people here expect this process to be reversed—at least not at the older mines. The Chamber of Mines estimates that another 5-percent increase in costs, which at the present rate would come by 1965, could reduce subsequent gold production by 11.5 million ounces a year, presumably by giving the death blow to some mines now at the break-even point.

Unlike other industries, South Africa's gold mines have little chance of a price increase to relieve these cost pressures. True, they have lobbied incessantly for a gold price boost, and the prospect that production will level off or decline without one may give them a new talking point.

But a gold price increase would amount to devaluation of the U.S. dollar, which American administrations have vowed consistently and vehemently not to permit. The U.S. Treasury in effect sets the world price of gold by offering to sell to anyone from reserves at $35 an ounce. An increase in that price would make the dollar worth less in terms of gold, thereby lowering its prestige as a world currency and thus probably its value in relation to other currencies.

The major reason why mine closings haven't already cut South African gold production is that newer mines, such as the ones around Welkom, have been increasing efficiency with new techniques. The principal one is concentrated mining. This means working a relatively small number of stopes intensively at any one time, while leaving others temporarily idle. It cuts costs by reducing requirements for ventilation, mine railway trackage, and the like along with the working area.

Where tried, concentrated mining also has raised output, in part because miners work under closer supervision. Western Holdings, which used to collect ore from 72 stopes at a time, now collects from only 52. But it has raised ore collection per man to 33 tons a month, from 27 previously, and boosted total collections to 200,000 tons a month from the former 175,000 tons.

Improvements in explosives and in ore collection machinery have helped keep total South African output growing, too. African Explosives & Chemical Industries and Anglo American have developed a fuse which permits a series of blasts following each other more quickly, such blasts have a multiplying effect in loosening rock. Some recent series of blasts have dug as much as 9 feet into mine rock; earlier series used to average only 18 inches.

Still, executives expect the closing of old mines which can't use these techniques effectively to outweigh by 1965 the output boosts the techniques have made possible in newer pits. Once this happens, it could take some time for even new discoveries to raise output again, should any be made. With easily minable gold long since worked out, painstaking geological surveys above ground plus extensive drilling are required now to locate ore, and even if finds are made they can take years to develop. Anglo American estimates it would take $70 million today to bring in a new mine with a milling rate of 180,000 tons of ore per month, which is considered an economic size.

So, though not all executives agree with Mr. Busschau of Goldfields of South Africa that a "sharp slide" in output is ahead, even the most optimistic don't expect to duplicate the record of the past decade. "South Africa has doubled its gold production in the last 10 years," says C. B. Anderson, deputy managing director of Union Corp., Ltd., a major mining concern. "We'll never do that again."

S. 2125

A bill to revitalize the American gold mining industry

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act shall be known as the "Gold Mine Revitalization Act of 1963".

SEC. 2. PURPOSE.—(*a*) For the purpose of aiding and restoring to profitable operation the domestic gold mining industry of the United States the Secretary of the Interior is hereby directed to establish and administer a program to compensate domestic producers of gold for the difference between individual base average costs of production during the fourth quarter of 1939 of currently eligible mines, as determined by the Secretary, and the same or equivalent current costs, similarly determined, of individual operators qualified for assistance under this Act in the fourth quarter of 1963. Where base average costs during the fourth quarter of 1939 are shown to be abnormal because of the occurrence of events beyond the control of the operator, including, but not limited to production stoppages, natural disasters, or unavoidable accidents, such costs shall be reconstructed from the best available data.

(b) In order to assist new domestic gold mining enterprises and stimulate new production, the Secretary is authorized and directed to establish and administer a similar program for mines which have no history of production for the fourth quarter of 1939 nor for the fourth quarter of 1963 by computing a constructive cost of production taking into account production costs of mining gold in the same or adjacent mining

districts under similar conditions for said named periods in order to determine the amount of subsidy payments, if any, to which the new mine operator is entitled.

SEC. 3. COSTS OF OPERATION SUBSIDIZED.—Costs of operating domestic gold mines for which differential payments will be allowed shall include—

(a) costs of all labor including clerical, supervisory, management, administrative, and technical;

(b) costs of amortization of capital investment in equipment and construction necessary to efficient operations;

(c) costs of mine rehabilitation;

(d) costs of transportation of mine products, smelter freight, treatment and deductions;

(e) costs of unemployment compensation and fringe benefits;

(f) costs of supplies, materials, and power;

(g) costs of State, county, and city property taxes;

(h) costs of such other expenses as are usual, customary, and normal according to accepted, sound, modern mining practices.

SEC. 4. ELIGIBILITY REQUIREMENTS.—To qualify for cost differential payments under this program, an applicant shall—

(a) make a showing, by application to the Secretary, that for his next fiscal year, commencing after submission of the application, costs of efficient operation are at a level in excess of an amount at which the applicant can anticipate earning a reasonable profit during the period for which application for assistance is made;

(b) demonstrate existence of financial resources and technical capability sufficient to operate profitably, under the conditions by which assistance under this Act is allowed;

(c) agree that, for the period of time for which assistance is received the applicant will operate gold mining properties in the United States as his principal occupation. No producer shall be qualified for assistance under this Act unless the dollar value of gold sold during the period for which payments are made is 50 per centum or more of the total value of all minerals and metals contained in ores and concentrates produced and sold: *Provided*, That payments shall be made only for the gold produced in the proportion the nonsubsidized value of the gold produced bears to the value of the total amount of minerals sold.

SEC. 5. AMOUNT OF PAYMENTS ALLOWABLE.—Payments under this Act shall be in such amounts as may be necessary to carry out its purpose, except that—

(a) no such payment shall, in any case, exceed the difference between individual base average costs of production of gold during the fourth quarter of 1939 and the same or equivalent costs in the fourth quarter of 1963;

(b) no differential computed under (a) shall exceed, in proportion, the difference between the cost of living index for January 1, 1940, and the cost of living index as of date of application for payment;

SEC. 6. DETERMINATION OF ELIGIBILITY AND NEGOTIATION OF AGREEMENTS.—(a) Producers of gold may apply to the Secretary of the Interior for gold production differential payments under this Act who shall determine (1) the eligibility of the applicant, and (2) amount of payment necessary to enable the applicant to operate at a reasonable profit during the period for which application is made.

(b) Upon determination of eligibility of a producer for payment the Secretary shall enter into a gold production differential payment agreement which shall contain such terms and conditions as the Secretary and the producer shall agree upon, including, but not limited to (1) the manner in which costs shall be ascertained for purposes of making payments; (2) terms and conditions for making payments; (3) conditions under which payments shall be withheld or reduced.

SEC. 7. BOARD OF GOLD DIFFERENTIAL PAYMENTS REVIEW.—(a) There shall be established in the office of the Secretary an independent Board of Review of three members to be appointed by the Secretary, the Chairman to be designated by the Secretary, that shall be responsible for a continuing review of the level of payments under this Act to determine if they are sufficient or in excess of amounts required to accomplish its purposes.

(b) The Secretary shall, by regulation, establish a procedure for review by the Board of Review of applications of producers whose claims are denied, disallowed in part, or reduced. Producers shall have an opportunity to submit reasons in support of their claims before final action of the Secretary.

(c) Members of the Board of Review shall be appointed by the Secretary from among individuals qualified by reason of experience in the mining industry, two of whom shall have had experience in gold mining.

(d) The Board of Review shall be required to meet quarterly. Members shall be paid at the rate of $50 per day for each day services as a Board member are required and shall be reimbursed for actual and necessary travel expenses and per diem in accordance with the Travel Expenses Act of 1949.

SEC. 8. The Secretary of the Interior shall prescribe such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 9. There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act, not to exceed an annual amount of $50,000,000.

PROPOSED PROHIBITION AGAINST EXPORT-IMPORT BANK INSURING THE CREDIT OF COMMUNIST COUNTRIES

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I made before the Senate Committee on Banking and Currency in support of my bill, S. 2310, which would prohibit the Export-Import Bank from insuring the credit of Communist countries.

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

STATEMENT OF SENATOR KARL E. MUNDT BEFORE THE SENATE COMMITTEE ON BANKING AND CURRENCY IN SUPPORT OF HIS BILL, S. 2310, WHICH WOULD PROHIBIT THE EXPORT-IMPORT BANK FROM INSURING THE CREDIT OF COMMUNIST COUNTRIES

Mr. Chairman, almost since the end of World War II—or for more than 15 years—the United States has been extending programs of military and economic aid to friendly and uncommitted countries—both developed and underdeveloped—throughout the world in an effort to safeguard those areas and their people from Communist aggression, encroachment, subversion, and takeover. During this period, we have expended over $100 billion of the money of American taxpayers, and our aid has gone to more than 100 foreign countries. Even now, we are still continuing to aid more than 100 countries through the expenditure of our resources and the continuing annual cost of this foreign assistance program is still upward of $3 billion a year annually.

The waging of this so-called cold war has been a long, expensive, and exhausting contest for Americans, but it has at least had the redeeming feature of compelling our Communist adversaries to strain themselves to do their best to offset our efforts and to meet the challenge of our American oversea assistance program. Increasingly the Communists have had to divert from their own economy and from the economies of their unhappy satellites, foods and fabrics; grain and machinery; weapons and petroleum; and a host of other products in an attempt to win friends and influence governments, especially in the underdeveloped areas of the world. As a whole family of newly independent nations have come into being, the increasing drain upon the Communist economy and upon that of the United States has become steadily more severe.

In this continuing cold war, however, the superiority of our free way of life and our vastly more productive economic system has begun to make its impact felt throughout the world. We have waged our side of this economic war without destroying our own standards of living while our Communist adversaries have had to deprive their own people of many things in order to have available from their cumbersome and unworkable system of compulsory collectivism the foods, the fabrics, the weapons, and the manufactured goods required to demonstrate to those outside their boundaries their ability to assist their friends and to provide economic support for those whose allegiance they are seeking to acquire.

Mr. Chairman, economic and political conflict is total war in the cold war sense, since every economic, political, and propaganda device is employed to achieve success. A stalemate long continuing in an economic contest between two great segments of the world can result in frustration, destruction, and defeat for both sides of the contest. Unless one side or the other gains an ascendancy, moves forward to victory, and excels the other in success, the steady drain upon its national resources can destroy the capacity of both adversaries either to give assistance to their friends or to provide resistance to their enemies. It can, in fact, seriously weaken its capacity to maintain its own standards of life and areas of opportunity.

CONGRESSIONAL POLICY OPPOSES TRADE WITH RUSSIA

Realizing this fact, Congress, during the past 15 years, has many times expressed itself by legislative actions and by "sense of the Congress resolutions" which make clear the intent of Congress to restrict free world trade with the Communist countries as part of our cold war technique of weakening their capacity to wage economic war successfully or to attain the military strength to risk a hot war.

The Battle Act which restricted the rights of our own citizens to trade with Communist countries and which set in motion a procedure by which we sought to induce our free world friends and allies to join us in such a program of economic pressures is illustrative of the attitude of Congress. The Johnson Act is another case in point. Amendments written into other legislative measures have also emphasized the desire of Congress to provide hope for the success of our cold war tactics by restricting trade to Communist countries which trade in turn would only expand their capacity to continue their cold war operations against us, against our friends, and against the uncommitted nations overseas. Just within the year, this administration has taken commendable executive action to apply new economic pressures on Communist Cuba by denying access to our ports of the foreign ships guilty of trading with our offshore enemy.

Unfortunately, Mr. Chairman, desire for profit—sometimes in the form of thinly disguised human greed—has made it difficult for the United States to enforce this policy of restricting trade with the Communist bloc or even to win the support of the for-

eign countries which we aid with our foreign assistance programs in the implementation of foreign trade policies whch would lighten the burden of our own foreign assistance contributions by reducing the economic capacity of the Communists to do battle against us and them through conducting cold war economic thrusts of their own. Some of our best friends in other countries have steadily been increasing their economic trade with Russia and her Communist associates. The most recent example which has brought this whole problem into new focus is the gigantic sale of Canadian wheat to Russia—not because the Russians are starving, not because they lack great stockpiles of wheat for military purposes, but because Russia freely admitted to the Canadians that they desire the wheat to fulfill their cold war and trade commitments to Cuba, to other European satellites, and even to other countries which the U.S.S.R. had promised to assist.

It has properly been argued in this country that the United States alone cannot blockade communism or enforce effective economic sanctions against the U.S.S.R. It has been suggested, consequently, that if Canada, our Western Europe Allies, and others are to sell wheat, corn, and other products—both agricultural and manufactured—to Russia, why should we deny ourselves the profit of similar sales? And, Mr. Chairman, when you say it fast and don't think very hard the easy conclusion seems logical. Related, however, to our 15-year-old foreign assistance program and what is to be achieved for the free world by our $100 billion in oversea assistance expenditures, this hasty answer to a serious question raises a number of mighty serious and far-reaching problems.

For example, can the United States afford to continue indefinitely a foreign assistance program which drains our Treasury of several billion dollars every year in an effort to help over two-thirds of the countries of the world maintain economic and military strength enough to prevent Communist aggressors from successfully upsetting their governments or completely taking them over? If we can afford to continue such an assistance program, is it possible for it to achieve the desired results and to succeed, if the important free world countries—the United States included—sell to Russia and to other Communist countries the supplies which they most desperately need in order to give them the strength and economic power to continue to placate their own people while conducting a program of intimidation and aggression which threatens the very nations we are called upon to help because of these Communist attacks against our freedom and our independence? If the answer to the two foregoing questions is "Yes," the big question remains: Is it possible for us ever to succeed in stabilizing the world and relieving our taxpayers of these multibillion dollar foreign assistance programs if we and the free world conduct trade and aid programs which tend to strengthen and assist both sides of the cold war at the same time?

At least as far as the United States is concerned, Mr. Chairman, I believe this is the road to national suicide and to inevitable bankruptcy since we, of course, are the one nation which is making the most significant and important contributions in the area of foreign aid assistance to the free world. I seriously doubt that even the rich and mighty United States of America can forever continue to provide aid for the non-Communist world while at the same time helping to supply the foods, the fabrics, and the manufactured products required to give the Communists a continuing capacity to wage economic war and build up economic strength against us and our oversea friends and associates.

NEEDED: A FREE WORLD TRADE-AID CONFERENCE

It was for that reason, Mr. Chairman, that when a suggestion was first made that the United States abandon its effort to lead the world in the acceptance of a sensible program of restricted trade in connection with Communist countries and that we follow instead the leadership of other countries which are busy stepping up economic trade of all kinds with the Communists I suggested that before departing from a program which we have followed for over 15 years, the President of the United States should call a free world trade-aid conference of the major and developed free world exporting countries and try to decide as a free world team just what our trade-and-aid policy should be.

Such a free world trade-aid conference of the major exporting non-Communist countries should face up to and consider certain obvious facts.

1. Communist aggression is not a threat directed solely against the United States of America—every free world country is considered fair game for the imperialistic designs of the Communists and our problem is their problem just as we have made their problem in this connection a problem of concern to us.

2. Even with its many loopholes and exceptions the past efforts over the last 15 years of free world exporting countries to curtail the shipment of supplies to the Soviet bloc is now beginning to have its impact upon the economies of the Communist world and Russia is beginning to feel the pinch of caring for her own needs while supplying her Communist associates with what they require and have not been easily getting from the free world.

3. Of late years, however, the trade restrictions against the Communists have been increasingly ignored and violated by many free world exporters even though we Americans have faithfully conformed with the program of curbing Communist expansion by denying the Communist bloc essential supplies which it needs.

4. The United States recognizes, however, that it alone cannot operate an effective blockade of Communist trade nor implement an effective program of trade restrictions which could force the Communists to forgo their designs of world conquest in return for becoming an acceptable member of the world trade community.

5. Unless the free world is ready to work some consistent, constructive, and generally applicable policy of trading with the Communists and participating to the extent of its ability in foreign assistance programs designed to strengthen the free world, the United States recognizes that it is futile for us to support such policies alone and it is unfair to our American businessmen and farmers to insist that they—alone—forego trading with the Communist world.

6. The United States also recognizes that trade with the Communist bloc is an effective means of strengthening the capacity of the Communists to press their cold war tactics against our friends and allies as well as against the uncommitted nations through perpetuating the need for our foreign assistance to countries trying to resist these Communist pressures.

7. Since these facts are now self-evident the free world trade-aid conference should join us in developing a common approach to the perils and problems of world communism with the realization that our country alone cannot finance resistance to the dangers their trade with Communists perpetuates and expands.

8. If the rest of the free world will not join us in the trade restrictive programs we have so long supported it must realize we cannot continue our own highly costly foreign assistance programs, and thus some entirely new free world policy toward communism must be evolved and accepted unless the free side of the world struggle is not to abandon each area of the world to its own capacities to resist aggression and encroachment.

Mr. Chairman, I am confident such a free world trade-aid conference would bring about a clear-cut recognition by our associates of all the facts and factors in this struggle for peace and freedom. Out of such a conference should, therefore, come a common and workable approach to the many problems involved in the trade and aid programs of the free world. Only in the absence of such a common agreement and only after our country demonstrates the required world leadership to hold such a meeting should we, in my opinion, surrender the gains we have made in the past 15 years and agree to follow the lead of foreign countries putting desire for profit above all else and insisting on trading with the enemy. Should that be the result, I agree we would no longer serve an effective purpose by denying our American traders the right to sell supplies to the Soviet bloc—but even then, in my opinion, such sales should not be made at the expense or at the risk of American taxpayers.

At this stage of world developments, however, I am confident our best public interest will be served by denying the Export-Import Bank the right to underwrite the credits of the Communist bloc and thus at least limit our trade with Russia and her Communist associates to that which can be paid for in cash or gold or normal commercial credits to be provided by the shippers and their private bankers.

Our cold war tactics which have cost us so dearly for over 15 years are beginning to give some evidence of success in weakening the capacity of the Communist world to meet its needs and to supply its extensive commitments. Clearly in my mind, now is no time for us to abandon a program which promises success.

WHY DO THE RED RUSSIANS WANT OUR SUPPLIES?

Former Ambassador George Kennan put the following words in the Communists' mouths to describe their attitude toward trade with the non-Communist world, and I read a paragraph from his book, "Russia and the West":

"We despise you. We consider that you should be swept from the earth as governments and physically destroyed as individuals. We reserve the right in our private if not in our official capacities to do what we can to bring this about; to revile you publicly, to do everything within our power to detach your own people from their loyalty to you and their confidence in you, to subvert your armed forces, and to work for your downfall in favor of the Communist dictatorship. But since we are not strong enough to destroy you today—since an interval must unfortunately elapse before we can give you the coup de grace—we want you during this interval to trade with us. An outrageous demand? Perhaps. But you will accept it nevertheless. You will accept it because you are not free agents; because you are slaves to your own capitalist appetites, because when profit is involved, you have no pride, no principles, no honor. In the blindness that characterizes declining and perishing classes, you will compete with one another for our favor."

Thus wrote George Kennan about the Soviet attitude in the early days of the Red regime. Forty years later Khrushchev could repeat this diagnosis word for word, as the allies scramble for trade with the Reds.

Mr. Chairman, I propose that we prove to the Communists that they are wrong in their assessment of the morals, the ethics, and the stick-to-itiveness of the free world. Lenin put it even more bluntly when he said in language I have paraphrased, "If the Communists were to hang the members of the free world, capitalists would compete with

each other to sell the rope for the hanging." I emphatically deny this Communist criticism of the understandable need and desire of our capitalist economy to produce a profit. Capitalism functions successfully only in a free community and a free world is the first essential to its complete and continued success. I hope our country never produces any evidence to support the blasphemous charges of the Communists.

Lacking the resources and the opportunities to engage in normal trade with the free world the satellites of Moscow are becoming restive and resentful and insisting that the grandiose commitments made to them by Khrushchev be fulfilled. Red China is becoming skeptical of the capacity of Moscow policies and its capacity to continue to beat down and hold back the resurgent nationalism and independence of captive countries.

SHOULD WE RETREAT FROM COLD WAR VICTORIES?

Even Cuba is discovering that the U.S.S.R. is unable to provide the economic and material assistance required to compensate for the errors of Communist dictatorship at home and the curtailed international trade which Cuba has lost with the non-Communist world. After 15 long and expensive years the free world is demonstrating with increasing momentum that freemen can outproduce slaves and that freedom is a way of life that no system of totalitarianism can equal or excel.

So Russia now swallows its pride and comes to the free world with offers to purchase our grain, our products, our machinery, our alcohol, and whatever else she most desperately needs to satisfy her own foreign commitments and to placate her own unhappy people.

Simply stated, Russia has spread herself out too thin. Her cumbersome Communist system of involuntary collectivism is breaking down. She is finally exhausting the usefulness and the aid she obtained by stripping her captive countries of their best productive plants and her emphasis on building a military striking power has deprived her people of the comforts and conveniences which a more diversified economic effort might have produced. Above all, her extravagant promises of assistance to Egypt, to India, to Communist overlords in Asia, to the new independent governments of Africa, are being defaulted so she seeks to obtain from the United States and other free world nations the supplies and products she needs to continue her harassment of the free world and her attacks upon weak governments and underdeveloped areas.

I accept the basic fact that these developments give rise to the need for a new look at world affairs.

Should we continue our efforts to win the cold war?

Should we drive wedges between Russia and her Communist satellites and associates?

Should we bargain with conviction and courage in our cause and compel Russia to make concessions in Cuba, in Berlin, in Asia, and elsewhere as a firm condition precedent to our willingness to sell her what she needs to continue her imperialistic thrust?

Should we utilize our economic productivity and the products which our free way of life produces in abundance as available inducements to win concessions and to reduce the dangers existent in the tension spots of the world?

Or should we simply sell them what they most seriously need for gold—or even worse for credit?

The question of permitting the Export-Import Bank to extend credit insurance to the Communist bloc countries which insurance is guaranteed by American taxpayers is an important and urgent matter which only this committee has the authority and the responsibility to decide through its recommendations to the Senate.

Certain basic and demonstrable facts should be kept before us and before the country concerning the basic factors and the significant ramifications of what is involved in the problem now before this committee.

NO HUMANITARIANISM INVOLVED

1. The sales of wheat and corn to Russia and the Communist bloc do not involve any element of humanitarianism and the relief of starvation and hunger is not involved in any way. Actually, Russia's supplies of stored wheat set aside for possible military conflict are of stupendous size and her current production is meeting her current needs. However, the Russians have made commitments to deliver wheat and grain to some of their satellite countries and unless she produces free world wheat to deliver or to replace her own wheat when delivered abroad she will face a wheat shortage of her own.

2. The sale of wheat for cash or gold or for normal commercial credits extended by the sellers or their bankers is not involved in this decision. Our Government, by executive action, has already made that decision. It is our responsibility to decide only the specific policy of whether the public credit of America—the money of our own taxpayers—should be used to guarantee the repayments of credits extended to Russia and other Communist bloc countries should they default on their obligations for any cause or circumstance whatsoever. What it is proposed to offer them through the Export-Import Bank is such a Government-backed credit guarantee that both principle and interest will be paid by Communist countries. If they default for any reason whatsoever, the American taxpayer pays the Communists' bills.

The President announced his decision to allow the sale of wheat to Russia and its Communist satellites from a prepared statement at his press conference on October 9. He said at that time that he had "concluded that such sales by private dealers for American dollars or gold, either cash on delivery or normal commercial terms, should not be prohibited by the Government."

A moment later the President observed that "having for many years sold them farm products which are not in surplus, it would make no sense to refuse to sell those products on which we must otherwise pay the cost of storage.

"In short, this particular decision with respect to sales to the Soviet Union, which is not inconsistent with many smaller transactions over a long period of time, does not represent a new Soviet-American trade policy."

But when on November 5 an article written by Vincent J. Burke for the Los Angeles Times and the Washington Post appeared, it became apparent to me that the financing arrangement for these sales to the Communist countries does represent a new departure—the U.S. Government and the taxpaying citizens of this country are assuming full credit risk for these sales. Any loss sustained by the seller of the grain or the banks financing the sales by extending credit to Russia, Hungary, or other Communist bloc countries is insured by the Federal Government through its Export-Import Bank. The Federal Government, through the Export-Import Bank, is insuring payment by the Communist bloc countries on terms of 25 percent down and 18 months in which to pay the balance.

I repeat, there is no risk for the shippers or the bankers. Full risk, full guarantee that the grain will be paid for is assumed by the taxpaying citizens of the United States through the wholly American-owned Export-Import Bank.

This guarantee is characterized as a normal extension of credit—as coming within the normal commercial terms the President stipulated in his formal statement.

The Export-Import Bank in its memorandum: Export-Import Bank guarantee of sales to bloc, November 6, 1963 (CONGRESSIONAL RECORD, Nov. 12, 1963, pp. 21576–21577) puts itself on record to that effect:

"The Export-Import Bank stresses that there is nothing new in these arrangements—aside from the fact that a short-term credit risk is being covered with respect to a Soviet bloc country."

I submit to the members of this committee that a complete departure from the established practice of an institution and the embracement by that institution of a technique never before used is not normal.

These are not the President's normal commercial terms. Far from being normal commercial terms the Export-Import Bank has in fact never extended credit or credit insurance to Russia, to Hungary, or to any other Communist bloc country.

They comprise, in fact, an entirely new departure in the credit insurance program of the Export-Import Bank. Since its inception in 1934, I repeat, the Export Bank has never insured a credit risk for Communist Russia or Hungary. Except for Yugoslavia, which both Congress and the White House have repeatedly treated in a special category, insurance of credit risks or direct extensions of credit have not been extended to Communist countries. It has now decided to do so. I submit that decision does not come within normal terms. It constitutes an entirely new use of Government guarantee of credit and establishes a new national policy of far reaching significance which should either be approved or disapproved by Congress. I think it should be disapproved. I do not feel we are protecting the interests of American taxpayers by compelling them to underwrite and guarantee a Communist dictator's credit rating in this manner.

S. 2310 COVERS ALL SALES—NOT JUST WHEAT AND GRAIN

Mr. Chairman, I am not here today to offer resistance to the sale of wheat or of other agricultural or commercial products to Russia nor am I here to protest the sale of those products to Russia's European satellites. The decision to do that has already been made at the administration level by the White House and by our State Department.

I am here solely because I am concerned with the question as to whether it is the right public policy under prevailing world conditions for our Government to compel American taxpayers to underwrite trade with the Communists through the device of guaranteeing the good faith of Communist dictators in meeting their payments of principle and interest.

The Export-Import Bank is a Government institution. Its assets are public assets. Its capital fund and operating expenses are of U.S. Treasury origin. Its charter was written by the U.S. Congress. Every dollar it has, in the last analysis, belongs to the Government of the United States—to the taxpayers of this country.

It is a completely new and unprecedented policy to use public funds to guarantee payment of private commercial accounts owed by Communist bloc countries. In my opinion, that policy is not wise. The purpose of my bill is to give the Senate and the House of Representatives opportunity, directly representing the citizens of this country, as they do, to determine whether or not this is wise policy and to determine whether or not this new policy will stand and become the precedent for a vast new allocation of American guarantees to reinforce and rescue the sagging and staggering economy of Communist countries.

I want to stress again that I do not question the legality of any commercial transaction under this grain sale agreement. I am questioning the wisdom of the policy, wheth-

er it is wise and prudent to compel the citizens to assume every type of risk involved in this sale of grain by private traders to a Communist government.

THE JOHNSON ACT DOES NOT BAR SALES FOR PRIVATE CREDIT

The Attorney General of the United States advised the Secretary of State, that, by his interpretation of the law—and his interpretation is what counts—no infraction would be committed by private traders participating under this program within the procedures announced by the Government. Thus the private traders and their commercial bankers have been informed by the Attorney General that they have the legal right to sell their grain and other products to the Communists on credit instead of for gold or for American dollars. However, the private traders and the commercial bankers have too much respect for the interests of their stockholders to be willing to extend their own credit to Communist countries whose records of repayment and of broken promises has been so disappointing and disillusioning. All I ask is that Senators be as alert and energetic about protecting the finances of our tax-paying constituents as these private firms have been in protecting the investments of their stockholders and themselves.

The Attorney General's opinion included this language:

"Sales by private American firms on a deferred-payment basis * * * would not involve the making of 'loans' within the meaning of the act."

And included this language:

"The Johnson Act does not apply to the assignment or negotiation by an American seller, in the ordinary course of business, of contract rights or commercial paper resulting from sales of goods on normal commercial terms."

Mr. Chairman, I have the full text of the Attorney General's advisory opinion here, and I ask that it be inserted in the record of these committee hearings at this point in my statement.

This opinion relieves all American sellers or exporters, commercial banks, or other nongovernmental sources for credit of any reason to refuse to participate in this transaction by themselves extending private credit to the Communists. They are protected against possible future prosecution by this or future administrations for violation of the Johnson Act.

COMMUNISTS ALREADY OWE US SUBSTANTIAL DEBTS

Now I presume the reason that the Export-Import Bank was brought into this transaction to guarantee payment of the obligations assumed by Communist countries for payment for this grain is that no commercial banker or exporter is willing to assume the credit risk of repayment involved in sales to Communist countries. The private exporters and bankers are reluctant to extend their own credit in order to get the profit and income they will receive from these transactions. That is, they must regard the transactions as a bad risk and the Communists as unsafe debtors.

Russia has obligations on loans from the United States which are still outstanding from its World War I loans. The outstanding principal as of last June 30 is $192,601,-297.37. Every cent of it has matured. Interest due and unpaid is $428,819,108.19. The total amount in default from those years is $621,420,405.56.

The present government of the Soviet Union insists that these are not its obligations. It is claimed they are the Czarist Government's obligations instead. Yet they were made by the Government of the United States to the Government of Russia, and the entire amount is in default and has been repudiated by the Government of Russia.

There are more modern obligations due us from the Soviet Union, stemming from World War II.

That Government agreed to accept and pay for the "pipeline" lend lease which had been ordered for them and was scheduled to be delivered to them at the end of the war. The amount agreed to was $222,494,574. Of that, $205,709,633 remains due.

Remember, that debt has nothing to do with the main body of lend lease shipped to Russia during the war. Congress appropriated in all about $11 billion and, as yet, no value of what is owed to us has been negotiated with the Russians. Our last offer, in 1960, was something like $800 million to settle it. Their final offer was something like $300 million and they demanded certain other trade concessions, at which point the negotiations broke down. Hungary also owes this country more than $9 million from previous loans or advances.

This is not an admirable credit record. The banker, dealing with the funds of his own bank would be rare who would advance very much money to such a credit applicant. There is the reason the guarantee of the Export-Import Bank has been called for so that public money could be used to guarantee the payments stipulated by these private sales.

There are, it should be emphasized, in connection with this, certain requirements of law placed on the Export-Import Bank which are intended to take the place of, in the running of this government-owned bank, the element of risk which is weighed so carefully by the commercial banker as he determines whether or not to extend a loan.

Let me be specifically clear in what I'm saying. I am not challenging the legality of the act by the Export-Import Bank in extending this insurance guarantee of payment. It might be said, however, that, in view of the requirement of law in this regard, I am expressing doubt as to the judgment shown by the directors of the bank in issuing this insurance coverage.

Section B of the Export-Import Bank Act of 1945 provides that before the Board of Directors of the bank agree to make a loan there must be reasonable assurance of repayment. This same express provision was not written a second time into the law in 1961 when the insurance program was begun, but neither was there express provision that the basic rules under which the bank operates were being changed. I'm certain that the members of this committee had no intention of relieving the Board of Directors of the responsibility to find that there must be reasonable assurance of repayment before the bank assumes an obligation. This basic rule must apply both to the making of loans and to the issuing of insurance, or there would have been express provision to the contrary. After all, the Export-Import Bank functions as an institution making commercial loans and insuring credit and not as an eleemosynary institution.

I quote from the provision of law, 12 United States Code 635(b):

"Functions as supplemental to private capital; restrictions on loans. It is the policy of the Congress that the Bank, in the exercise of its functions should supplement and encourage and not compete with private capital, and that loans, so far as possible consistently with carrying out the purposes of subsection (a) of this section, shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment."

Let me add emphasis. "It is the policy of Congress * * * that loans * * * shall * * *, in the judgment of the Board of Directors, offer reasonable assurance of repayment."

I am certain that this committee intended that that statement of policy was intended to apply to insurance coverage extended by the Bank as well as to loans or that the committee would have specified otherwise.

Mr. W. W. Glick, counsel for the Export-Import Bank, agreed with this interpretation when he appeared before the House Banking and Currency Committee's Subcommittee No. 3 on August 30, 1961, in support of the then pending bill to amend the Export-Import Bank Act of 1945. Congressman MOORHEAD commented, "As I read section 2(b), it is limited to loans, and not to this new program."

Mr. Glick replied:

"At the end of the section it says, 'and in the judgment of the Board of Directors, offer reasonable assurance of repayment' and the General Counsel's office at the Bank has taken the position formally that this applies to all activities of the Bank: loans, guarantees, insurance, or anything else."

So the Bank Directors were to take into consideration the credit record of the proposed country to be insured—Russia or Hungary or any other satellite nation. Yet they decided to guarantee bank loans of 75 percent of the value of the grain to be shipped for a period of 18 months, the loans bearing 5 percent interest for the banker less a small insurance fee at absolutely no risk to himself. In fact the payment of both interest and principal are insured. The bankers cannot lose. The exporters cannot lose. Only the American taxpayer stands to lose and he assumes the full risk for failure to pay regardless of the cause for such default.

SHOULD AMERICAN TAXPAYERS GUARANTEE CREDITS TO PURCHASE BOOZE FOR KHRUSHCHEV'S SUBJECTS?

Mr. Chairman, once the precedent of guaranteeing and insuring Communist credits by the wholly owned American Export-Import Bank is established, American exports to bolster the Red Russian economy will expand from a trickle to a torrent. Already many new applications for export licenses are appearing. The Russians want fertilizer, machinery, trucks, chemicals—in fact last week we learned they want American alcohol for their production of vodka.

I wonder how many good church people in America will feel if they are required to cosign a promissory note with Khrushchev so he can purchase booze for his people with the public credit of America.

The taxpayers take the entire risk. And I believe Congress could well take exception with the judgment of the Bank's Board of Directors, based on the existing credit record of the Communist purchasers, that these loans have a "reasonable assurance of repayment."

SHOULD AMERICAN WHEAT STRENGTHEN CASTRO IN CUBA?

Now, Mr. Chairman, while we have seen repeated time and again the promise made by Russia that the grain sold to them by the United States will not either go directly to Cuba or to China or to other unintended beneficiaries nor be transshipped once it reaches Russia to any of those other destinations, we have not seen any commitment by Russia that that country will, as a condition to receiving U.S. grain, refuse to honor its agreements or even refuse to make new agreements to supply grain to Cuba, to Red China, and to other Communist areas.

I expect that, even if we give the Russians credit for having the honorable intention of keeping their promise to President Kennedy that American grain will not go to Cuba, the American grain will simply become a substitute in Russia for the Russian grain which has been promised to Cuba and the other Communist countries. The Cubans will eat Russian grain and the Russians will eat American grain bought from American traders on credits at 5 percent interest to American bankers less a small insurance fee paid to the Export-Import Bank on credit

terms which are fully and irrevocably guaranteed by the American taxpayers.

The President did not, in his formal wheat sale statement of October 9, even say that Russia had made such a promise not to transship the wheat. As a matter of fact, "administration officials" were quoted in the New York Times of October 3 that they cannot make such guarantees. The Max Frankel dispatch states that, "Privately, administration officials have already indicated they could not control Soviet export policies."

And, in the New York Times of October 11, the William M. Blair dispatch states that Secretary of Commerce Hodges, at the "news conference at which the rules for traders were announced," was "somewhat vague about assurances that American wheat would be used only in the Soviet Union or the satellite countries."

"The United States, he said, would have reasonable assurance because it would require a certification to that effect in sales contracts between private traders and the Soviet buyers and because as much wheat as possible would be shipped in American vessels."

SHIPMENTS NEED NOT BE MADE IN AMERICAN SHIPS

I should note in passing here that this last provision has been changed considerably. Quoting from the Current Export Bulletin for November 13, 1963, issued by the Department of Commerce:

"At least 50 percent of the wheat and wheat flour will be exported on U.S.-flag carriers. If a U.S.-flag carrier is not available at reasonable rates, the exporter must obtain prior authorization from the Maritime Administration to ship less than the 50 percent on U.S.-flag carriers."

So it could well be that less than 50 percent of the grain will be shipped on American vessels and even that 50 percent is now proposed to be shipped at reduced shipping rates which have been established below the prevailing shipping rates through negotiation. But, continuing with Secretary Hodges' October 10 press conference:

"He agreed, however, that the United States had no definite assurance that the American wheat could not be used to release Soviet reserve stocks for shipment to Cuba or other countries."

The way, therefore, seems to be opened for us to make possible the feeding of our enemies in Cuba, in Red China, and elsewhere even if we were all to agree to the shibboleth that Russia is not an enemy since Russia could use at home the specific bushels of wheat we sell her on U.S. Government credit while shipping to our other Communist adversaries the Russian wheat which our American wheat replaces.

A year ago we stood eyeball to eyeball against Cuba. We have since outlawed the loading of ships in American ports which arrive from loading or unloading in Cuba. Now we are opening up a formula of sales for Communist credits which proposes to do by indirection what we have directly been prohibiting by our national policy toward Cuba and Red China.

Russia today is one of the largest gold producers in the world. Perhaps it is the largest. That country is able to market large quantities of this precious metal. Its sales in the past 8 years have been about $200 million worth per year, and its gold reserves are estimated by the London Times to be $9 billion in gold. This information comes from a most interesting article from the New York Times of October 9, written by Clyde H. Farnsworth. He discusses the sale by the Russians of $200 million of gold during 2 weeks of September, at Paris and Zurich largely, this year.

That's their usual annual sales figure. The Russians have plenty of gold. They are able to pay gold in exchange for wheat. In fact the Canadians who initiated the concept of large scale sales of wheat to Russia are receiving 80 percent of these sales cash on the barrelhead in gold.

The American people and their Congress were led to believe that this grain sale would be a commercial cash transaction with private traders and bankers assuming any credit risk in return for a profitable sale and an interest-bearing loan.

AMERICANS BELIEVED SALES TO BE MADE FOR GOLD

In fact, President Kennedy stated that at his news conference on October 9. To the question, after discussing the effect of the Johnson Act, "Do grain dealers take the risk then?", President Kennedy answered, "The grain dealers will take the risk with the private banks."

This was the understanding generally shared by the people and by their representatives in Congress. This is well expressed in the column by Sylvia Porter entitled "Wheat Sales To Aid Balance of Payments" appearing in the Minneapolis Tribune on November 14, 1963.

"The wheat being sold to Russia and the Soviet bloc is to be paid for in gold and hard cash. The sale of 4 million long tons would increase our dollar earnings from wheat by over $250 million, more than 100 percent above 1962's earnings."

"Now that the ground rules finally have been set for sales and shipments of U.S. wheat to the Soviet bloc, let's assume the Kremlin follows through and buys the limit of 4 million long tons President Kennedy has authorized for sale. What would this deal mean to our wheat economy in particular and the U.S. economy in general?

"Far, far more than most Americans realize, says Erwin E. Kelm, president of Cargill, Inc., of Minneapolis, largest grain merchant in this country and the corporation which made the first sale of 100,000 tons of wheat to Hungary last Friday. In fact, some of the economic benefits which Kelm sees stemming directly from these sales well may startle even top experts on wheat and foreign trade. Specifically:

"Benefit: While this one deal would increase our total wheat exports over 1962 by less than 28 percent, it would more than double our dollar sales of wheat compared with last year.

"Explanation: In recent years 70 to 75 percent of all our wheat exports have been so-called giveaway sales. We have been selling wheat through normal commercial channels to foreign buyers, but permitting the countries to pay for their purchases in their own "soft" currencies.

"Our Government has been accepting these soft currencies—of such underdeveloped countries as India, Pakistan, Indonesia—and then has been paying the U.S. exporters in dollars.

We have since learned that it is the Government, through the Export-Import Bank, which will assume the risk. The grain traders will get a profit and the bankers a guaranteed 5 percent interest return less the small insurance fee they pay to have their entire risk against every contingency guaranteed by the U.S. Government.

It is my contention and I hope that it will become the contention of this committee that this specific decision—whether the American taxpayers should assume the entire risk of this purportedly commercial transaction with the Communist countries—is a point which should be decided with no delay by the Congress. I am convinced it should be decided in the negative.

Whatever the decision, however, I feel you must agree with me that it is of such significance to our country's future and to the entire free world that it should be debated and decided by the people's representatives in Congress. It definitely should not be a decision or a policy arrived at by drift or by the adoption of expedients to meet unanticipated conditions. Selling wheat and grain and other supplies for cash on the barrelhead or for gold is one thing—it is a policy about which Americans can and do disagree concerning its wisdom. However, as the negotiations developed it was discovered the shippers would not extend credit and their bankers declined to take the many risks involved in extending credit to the Communists.

SHOULD OUR GOVERNMENT GRANT CREDITS OUR BANKERS REJECT?

So—an expedient was evolved and adopted—to place the public credit of the United States behind the credit extended to the Communists and to guarantee the lending institutions against every possible contingency or loss on the repayment of the money owed by Communist countries to whom sales have been made. Thus we are confronted by a situation not planned in advance. We face a policy established as an expedient to overcome the understandable reluctance of private shippers and bankers to gamble the interest of their stockholders on the bad credit risks represented by the Communists.

Thus, step by step we have retreated from sales for gold or cash to sales on credit guaranteed by American taxpayers. A decision of this importance, Mr. Chairman, I submit should be established after careful congressional consideration of all of its ramifications and not as a patchwork device to promote a single sale or a series of transactions designed to sell a few selected products.

Therefore, my bill S. 2310 would cover credit extensions of this kind on sales of any products since the evidence is already rolling in that this precedent is set and approved for Export-Import credit guarantees for sales of wheat and corn. Suppliers of other products—both agricultural and manufactured—will apply for the same consideration and the same guarantees for an ever-expanding program of increasing sales to Russia and her Communist associates. This, in my opinion, would do violence to our foreign policy and trade programs of the past 15 years and would eventually build up for American taxpayers a vast contingent liability growing out of our guarantees of extension of credit to the Communists for those who sell for private profit such supplies which are desperately needed by the Communists.

THE WHEAT SALES AS ANNOUNCED ARE NOT AT STAKE

Mr. Chairman, I hope the committee approves the passage of S. 2310. Passage of this bill will not interfere in any way with the planned sales of wheat and grain to Russia and her satellites—provided the sales are for cash, for gold or for American dollars, or provided the granting of credit to the Communists is privately extended. It will, however, give us a breathing spell during which time we can explore together—the administration—the Congress—and I would hope the free world exporting nations in conference assembled—just where we want to go now in the establishment of trade and aid programs designed to protect the free world against the continuing threats of Communism. In the meantime it will protect American taxpayers from being compelled to become the cosigners of Communist promissory notes by which they purchase from us an endlessly expanding list of products which they need in order to continue their cruel war of nerves and threats against our Christian civilization.

TEMPORARY INCREASES IN PUBLIC DEBT LIMIT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 626, House

bill 8969, and that it be made the pending business.

The motion was agreed to; and the Senate proceeded to consider the bill (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.

ORDER FOR RECESS TO NOON, TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business this evening, it take a recess until tomorrow, at 12 o'clock noon.

The PRESIDING OFFICER (Mr. EDMONDSON in the chair). Without objection, it is so ordered.

PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE PHYSICALLY HANDICAPPED

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate may proceed to the consideration of Calendar No. 625, Senate Joint Resolution 103. It has been cleared on both sides.

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

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 103) to increase the amount authorized to be appropriated for the work of the President's Committee on Employment of the Physically Handicapped.

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

There being no objection, the Senate proceeded to consider the joint resolution (S.J. Res. 103).

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

The joint resolution (S.J. Res. 103) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution entitled "Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week", approved July 11, 1949 (63 Stat. 409), as amended, is amended by striking out "$300,000" and inserting in lieu thereof "$400,000".

COMMITTEE MEETINGS IN BOSTON, MASS., ON NOVEMBER 22 AND 23, 1963

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Production and Stabilization of the Committee on Banking and Currency was authorized to meet in Boston, Mass., during the sessions of the Senate on Friday, November 22, 1963, and on Saturday, November 23, 1963, if the Senate is in session on that day.

FOREIGN AID

Mr. MORSE. Mr. President, I ask unanimous consent to have the following items printed in the RECORD at this point:

An article entitled "The Gruening Report" from the October 8, 1963, issue of Near East report.

An editorial entitled "Curb on Arms," from the Washington Post of November 18, 1963.

An article entitled "Coup Progress Hinders Alliance" from the Washington Post of the same date.

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

THE GRUENING REPORT

Senator ERNEST GRUENING, Democrat, of Alaska, has presented the Senate Committee on Government Operations with a thoroughgoing 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 condemned 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. AID'ers not only disregard this situation, they abet it. Over $1 million 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 United States 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 Russian 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. AID'ers 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."

GRUENING proposes that these 11,469 refugee employees be placed by UNWRA in outside jobs, given training and financial assistance for resettlement. To replace them would come a "United Nations Middle East Peace Corps * * * composed of volunteers from countries other than the countries involved, * * * to educate and train the refugees, to help them obtain employment in the Arab countries or elsewhere, to assist financially in their resettlement."

The elimination of the identity between bearers of UNWRA relief and carriers of political agitation might encourage economic rehabilitation.

DIPLOMACY WITH BLINDERS

GRUENING forcefully objected when he found that "our representatives stationed in the Arab countries are discouraged from traveling to Israel. Apparently the Arab nations frown upon such travel and the United States has bowed to their wishes."

In Lebanon, the chief of mission advised his staff not to refer to Israel by name. Local diplomatic jargon has a password for that besieged country—"Dixie." GRUENING found only one top U.S. diplomat in the countries he visited who had served in Israel.

Thus, after 2 or 3 years in an Arab country, U.S. personnel returned home "as strong advocates of the so-called Arab point of view and knowing little of the Israel point of view or what is occurring in that country."

CONCLUSIONS

GRUENING set forth 10 criteria for determining which nations should receive aid: Political stability, trained managerial personnel, public enthusiasm for economic growth, budgetary austerity, equitable distribution of the fruits of progress, no "flight of private capital," no commitment to total socialization, no engagement in "unprovoked military attack * * * or in an unnecessary arms buildup for that purpose," a long-range development plan, land and tax reforms.

Syria has broken world records in brevity and variety of governments. GRUENING recommended that aid to that country should stop, pending relative stability.

There will be those to disagree with GRUENING's economic views. But as a clear study of a hard-working Senator's hard work abroad, the Gruening report will be widely considered in discussion of the U.S. foreign aid program.

[From the Washington Post, Nov. 18, 1963]

CURB ON ARMS

A cogent case can be made for Senate adoption of an amendment to the foreign aid bill that limits arms assistance to Latin America unless the President feels it is in the national interest or deems it necessary to protect elected governments. The amendment was offered by Senator GRUENING, who has been rightly concerned with the use of U.S.-supplied arms in military uprisings against constitutional regimes.

The boundary between the legislative and executive branches in the conduct of foreign affairs is ill-defined. What seems to us to constitute a clear encroachment is a congressional restriction that gives the President no room for maneuver or that requires him to make an invidious judgment about a foreign country. Many of the amendments adopted last week by the Senate fall clearly into this category.

But Congress has a right to express its considered opinion about the proper use of the appropriations it approves. Mr. GRUENING's criticism of arms aid has broad support. There is evidence that in certain Latin American countries U.S. military equipment has been misused and has done more to strengthen military usurpers than to strengthen free government. But unlike the amendments adopted concerning aid to Indonesia, Yugoslavia, and Egypt, this restriction allows the President to waive the prohibition without making an insulting finding. Why shouldn't the same formula be adopted in other amendments? When the foreign aid bill goes to conference, sensible changes of this nature can still be made.

[From the Washington Post, Nov. 18, 1963]

FEW BENEFITS REALIZED—COUP PROGRESS HINDERS ALLIANCE

(By Bert Quint)

MEXICO CITY.—It seemed absurd, but there it was—the Alliance for Progress sticker showing the symbolic hands of the United States and Latin America clasped in friendship—pasted on the troop carriers that patrolled the streets of Tegucigalpa during and after the Honduran coup last month.

Mounted on the vehicles were American-made machine guns, manned by soldiers wearing U.S. camouflage uniforms and proudly displaying badges showing they had been trained at the American antiguerrilla school in Panama. Their job was not to fight guerrillas but rather to keep their own people under control.

In Santo Domingo, white-helmeted police trained by the United States to battle Communist rioters, have been breaking up non-Communist demonstrations ever since a military coup deposed Dominican Republic President Juan Bosch on September 25. Their principal weapon: Made-in-U.S.A. tear gas bombs that have been fired at 15-year-old schoolgirls as well as at older boys.

In Guatemala, Peru, Argentina, and Ecuador in the last year and one-half, the story has been the same. In some cases, the military takeover has been temporary; in others the army still rules openly. But in every instance, American military aid meant to fight communism has been employed to overthrow constitutional governments.

That aid has been given in packages that are bigger every year. In 1952, the total was only $200,000. By 1961, it was more than $90 million per year.

The Dominican Republic, for example, a country of fewer than 4 million persons, received $6.1 million between 1945 and 1962. That does not sound like a great deal, but it must be kept in mind that the country had no use for its armed forces other than to keep a dictator in power. None of the Latin countries really need armies. They are not going to fight each other nowadays and if they did, the Organization of American States would pull them apart immediately.

How foolish this kind of aid is becomes clear when you realize that Mexico, a Latin giant with 37 million population but one which does not go in for military strutting, received only $100,000 more than the little Dominican Republic in all those years.

But these figures are insignificant in comparison with what nations like Brazil ($215.9 million), Peru ($83.6 million), and Chile ($62.2 million) have been getting from the United States in military aid since 1945.

Those three countries, along with Ecuador and Argentina, allot between 21.1 percent and 27.6 percent of their total budgets to defense. Most of the bill is picked up by the United States. Part of what is not paid directly by the United States is obtained by spending money that, if it were not for U.S. economic grants, would have to be used for more fruitful purposes.

Thus, the Alliance for Progress is helping the rebirth of a militarism that had seemed to be on the wane in Latin America.

Not counting Cuba, Latin America—a region of some 200 million population without a real part to play in the defense of the West against the threat of war from the East—has 650,000 men in uniform. To keep them armed and ready (to start or stop revolutions, which is all they are used for) costs $1.4 billion per year. That is $400 million more than the United States contributes for the Alliance for Progress each year.

This means that if the United States forgot about the Alliance for Progress and Latin America forgot about its armies, the Latin people still would come out $400 million ahead.

So far, all the United States has gotten out of its $90 million per year military aid to the area is resentment on the part of those Latins who are pushed around at the end of American rifles, the overthrow of several governments the United States had tried to protect, and a loss of ground to the Communists who thrive on the discontent produced by military dictatorships.

The American attitude, as expressed by Defense Secretary Robert S. McNamara, is that to reduce U.S. military aid would be to tempt the Communists to take up arms and to increase their guerrilla warfare and subversion.

As for the Latins, while many a president would like to do away with the heavy burden o. a padded defense budget, most of them do not dare tamper with the privileges and the influence of the officers who are the real power in Latin America.

So, except in a few places like Mexico, Costa Rica, and Uruguay, where because of unusual circumstances the armies have been done away with or pared down to the bone, the cycle continues, with the United States continuing to give military aid to countries that do not need it.

Mr. MORSE. Mr. President, I wish to discuss at this time the editorial from the Washington Post entitled "Curb on Arms."

The editorialist states:

But Congress has a right to express its considered opinion about the proper use of the appropriations it approves. Mr. GRUENING's criticism of arms aid has broad support. There is evidence that in certain Latin American countries U.S. military equipment has been misused and has done more to strengthen military usurpers than to strengthen free government. But unlike the amendments adopted concerning aid to Indonesia, Yugoslavia, and Egypt, this restriction allows the President to waive the prohibition without making an insulting finding. Why shouldn't the same formula be adopted in other amendments? When the foreign aid bill goes to conference, sensible changes of this nature can still be made.

What is the insulting finding the Gruening amendment calls for, which seems to disturb the editor of the Washington Post? It is a finding that a country is an aggressor. What is insulting about that? If a country is an aggressor it is that country which is insulting mankind.

I compliment the Senator from Alaska for the wording of his amendment. I say to the editors of the Washington Post that instead of writing this kind of unintelligent editorial they ought to demonstrate they are capable of recognizing that the American taxpayer should not be pouring money into any foreign aid

program supporting any aggressor nation. It is as simple as that.

It has been interesting to find the editors of the Washington Post, throughout our historic debate on the foreign aid program, supporting broad, discretionary, unchecked power in the office of the President of the United States.

The type of amendment that the Senator from Alaska [Mr. GRUENING] has proposed this year must be multiplied many times over next year, in case the Foreign Relations Committee brings out of the Foreign Relations Committee next year a bill as unsound and undesirable as the foreign aid bill of this year.

I say to the editors of the Washington Post that a good many of us will be "lying in wait" for that conference report, if the conferees bring back the sort of changes the editors of the Washington Post recommend, because such changes would not be in the public interest.

Mr. President, apropos of the recent and forthcoming foreign aid debate is a "Letter From East Pakistan" by John Owen, which appears in the current issue of the New Leader. Mr. Owen is described as having spent the last 4 years in East Pakistan as a visiting professor at Dacca University, in East Pakistan.

In particular, I call attention to Mr. Owen's dismal account of the lack of impact of American foreign aid upon the poverty and ills that beset this part of the world.

I particularly call the attention of the President of the United States to this letter, because he seems to believe we have a great responsibility to solve the problems of poverty all over the world.

The letter bears out what I argued at length time and time again during the debate; that the wealthy people in the countries into which we are pouring billions of American taxpayers' dollars do very little even to cooperate in trying to solve any of the economic conditions of the masses of their people. Many American apologists for foreign aid have long promoted the romantic concept that American money is a lever that can lift the world. It is not, and Mr. Owen's brief letter is but one exhibit to that effect.

For the benefit of the dogmatists of foreign aid, I read what Mr. Owen, who spent many years in Pakistan, says, in part:

> In the new residential districts, Pakistani landlords are fast growing rich from exorbitant rents charged to Americans employed by the Agency for International Development, the Ford Foundation, and U.S. engineering firms on contract to build dams, bridges, and factories.

Instead of helping the poor, what the foreign aid program does in many places is to make the rich richer. Then the rich use the money they make from the foreign aid program to invest in Swiss and New York banks, instead of in the economies of their own countries.

Mr. Owen also says:

> The sudden injection of millions of dollars in various aid and development projects has disrupted the social structure and economy, producing a new elite of foreign experts who enjoy a level of luxury living they could never afford back home.

> The real impact of foreign aid is difficult to evaluate but it would be hard to defend the thesis that East Pakistan's economy or living standards have been appreciably improved by the millions invested thus far. On the contrary, the life of the Bengali farmer is harder than it was 10 years ago, and there is firm evidence that some of the aid funds have been misused.

Later in his letter he says:

> In a very real sense the East Pakistanis today, like their counterparts in West Pakistan, are not a nation but an ill-assorted group of divergent elements divided against themselves, disunited except for a negative attitude to India. Pakistan was not ready for nationhood in 1947, and it is still not ready. President Ayub Khan is the one leader who shows any statesmanship, but he is like a man in search of a country. He is resented by many Bengalis because he is from West Pakistan, and the animosity shown to the West wing in Bengal rivals the resentment against India. The two wings are not in any sense united.

> Not a few U.S. aid workers have returned home from East Pakistan in recent months with deep misgivings about the wisdom of giving millions of dollars to a people whose defiant ignorance, fatalism, and extreme backwardness render them painfully ill-equipped to help themselves or face the realities of the 20th century. The outlook for East Pakistan is dark and grim. Quite apart from the Chinese danger only 300 miles to the north, there is no prospect that conditions for the Bengalis will get any better.

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

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

LETTER FROM EAST PAKISTAN

(By John E. Owen)

DACCA.—East Pakistan today is a region where almost every aspect of life conspires to produce a situation devoid of hope. An impecunious province carved in 1947 out of undivided Bengal, it lies beneath the Himalayas in the Ganges-Brahmaputra Delta between Assam and West Bengal, a low-lying riverine country beset by periodic floods, monsoons, and poor soil.

East Pakistan's population density, over 1,000 persons per square mile, ranks as one of the highest in the world. And the region's 50 million Bengalis have increased in number by almost 25 percent in the last decade, with no sign of any surcease. This factor alone is likely to nullify the benefits of foreign economic aid. Birth control programs have made little headway, especially since the Bengali Muslim has a fatalistic attitude. He believes children are a sign of the blessings of Allah, and large families bestow prestige upon a father.

Floods and cyclones destroy property every year, but no effective steps have been taken to control their damage. Milk supplied by CARE and thousands of woolen blankets donated by the United States for flood victims can be bought openly on the black market. Bengal's upper classes are complacently indifferent to the loss of life and farmlands among the peasants. Flood relief funds are frequently diverted from their rightful beneficiaries.

Since 1947, a new class of rich industrialists from outside the province has built up the jute trade lost to India when the subcontinent was partitioned. The social changes resulting from superimposing technology and industry upon an essentially feudal society have been sufficient to disorganize the life of the province. Dacca, the urban capital, presents a bizarre spectacle of western modernity combining uneasily with the rural East. In 15 years it has been transformed from a sleepy hinterland town to the administrative and commercial center of East Bengal. Refugees from India and an influx of Bengalis from the agricultural districts have swelled the population to over half a million.

Living conditions in Old Dacca are overcrowded and disease is rampant. With more than 12,000 persons per square mile, the area resembles London of 300 years ago before the great fire. An epidemic of smallpox earlier this year resulted in 900 known deaths in 1 month; untold others were not recorded. While the epidemic was raging, the first session of Pakistan's National Assembly, 5 miles away, was engaged in endless speechmaking, but almost the only legislation passed was a bill to raise the stipends of delegates.

Dacca's streets present weird contrasts: bullock carts and Chevrolets, rickshaws and jeeps, a new atomic resarch center and weatherbeaten mosques, an impressive hospital run by American Catholics and roadside lockups where homeopathic "doctors" sell their nostrums. In the new residential districts, Pakistani landlords are fast growing rich from exorbitant rents charged to Americans employed by the Agency for International Development, the Ford Foundation and U.S. engineering firms on contract to build dams, bridges and factories. The sudden injection of millions of dollars in various aid and development projects has disrupted the social structure and economy, producing a new elite of foreign experts who enjoy a level of luxury living they could never afford back home.

The real impact of foreign aid is difficult to evaluate, but it would be hard to defend the thesis that East Pakistan's economy or living standards have been appreciably improved by the millions invested thus far. On the contrary, the life of the Bengali farmer is harder than it was 10 years ago, and there is firm evidence that some of the aid funds have been misused. The Water and Power Development Authority, a multimillion dollar project, is only one of several instances where U.S. funds have not produced the expected results, partly because of large-scale misappropriations.

Corruption in East Pakistan is openly acknowledged and cynically accepted as a governmental way of life; a system of baksheesh, bribery and kickbacks is firmly entrenched. Nevertheless, the disposition of aid funds has not been adequately supervised by U.S. officials. Many of the 500 Americans in Dacca are unhappily aware that their efforts to develop the economy are yielding no tangible results and that the Pakistani authorities, with their practiced skill at grasping every chance to enrich their own pockets, have stolen American money. Nor is there the slightest evidence of appreciation for the millions that have been given. Indeed many Bengalis still find the concept of aid difficult to comprehend and question the motives behind the U.S. program.

Since the end of martial law in 1962, conditions in the province have worsened progressively. An atmosphere of lawlessness exists that the police are powerless to cope with. The last university commencement ceremony had to be canceled for fear of student demonstrations or riots against the Government, and during the academic year 1962–63 classes were in session for only 62 days. The authorities are afraid to act against the students, who represent one of the few literate segments of the population and thus have the potential for wielding influence in their home villages.

Over 80 percent of Bengalis are illiterate. The poverty of the peasants has to be seen to be believed. Their small holdings of rice and jute are uneconomic, rice production has not risen sufficiently to provide adequate

sustenance for the peasants and their families, and inflation has brought added hardship. The authorities deny that East Pakistan has a food shortage, but in many villages the situation is so desperate that peasants are eating grass and roots.

There is rising discontent that would probably erupt into violence, were it not for the apathy induced by malnutrition and Muslim fatalism. Many Bengalis have told me that conditions in general were immeasurably better under the British regime, and that personally they are far worse off now than before partition. A severe taxation policy specifies that even the villager who owns a chicken has to pay a tax on it.

Attempts to introduce cooperatives into East Pakistan have met with indifferent results, mainly because the spirit of cooperation has never taken root here. Harsh economic conditions preclude the idea of mutual self-help, and Islam has not fostered attitudes of cooperative endeavor. Outside the family circle, East Bengalis live by a jungle code, pitting their wits against each other rather than against nature.

Islam as practiced in Pakistan enjoins no ethical code that might affect daily dealings between Pakistanis. Its stress is on the outer observance, the five daily prayers, the Ramadan fasting period, and occasional almsgiving. Apart from the apathetic fatalism it engenders, Islam is not a cohesive force in Pakistan. A great gulf exists between the Western-educated intellectual and the peasant, underlining the lack of agreement as to what the true function of Islam should be.

Only two things unite East Pakistan today: a sense of hopelessness concerning the national future, and resentment of India. Many Bengalis privately admit that partition was a profound mistake from which they have gained nothing. When asked what the future of East Pakistan is likely to be, they shake their heads and answer, "God knows."

An undefined segment of Bengalis would prefer to be reunited with India; it looks to Calcutta as its Mecca, a political fact that is disturbing to the authorities in Rawalpindi. "We have to hate India," a Bengali intellectual told me, "for without that we would have no reason to exist as a nation." But Western arms aid to India has aroused bad feeling against both the United States and India among many Bengalis.

In a very real sense the East Pakistanis today, like their counterparts in West Pakistan, are not a nation but an ill-assorted group of divergent elements divided against themselves, disunited except for a negative attitude to India. Pakistan was not ready for nationhood in 1947, and it is still not ready. President Ayub Khan is the one leader who shows any statesmanship, but he is like a man in search of a country. He is resented by many Bengalis because he is from West Pakistan, and the animosity shown to the west wing in Bengal rivals the resentment against India. The two wings are not in any sense united.

Not a few U.S. aid workers have returned home from East Pakistan in recent months with deep misgivings about the wisdom of giving millions of dollars to a people whose defiant ignorance, fatalism, and extreme backwardness render them painfully ill-equipped to help themselves or face the realities of the 20th century. The outlook for East Pakistan is dark and grim. Quite apart from the Chinese danger only 300 miles to the north, there is no prospect that conditions for the Bengalis will get any better.

Mr. MORSE. Mr. President, Senators should not forget that Pakistan is a country into which we have been pouring millions, while it proceeds to negotiate various agreements with Red China.

METROPOLITAN POLICE DEPARTMENT, WASHINGTON, D.C.

Mr. MORSE. Mr. President, today I issued a press release in the form of a letter I have sent to Mr. Walter N. Tobriner, president of the Board of Commissioners of Washington, D.C., which contains the first list of questions to which I am asking the president of the Board of Commissioners of Washington, D.C., to obtain answers for me in connection with my preliminary study of the administration of the Metropolitan Police Department in Washington, D.C.

The release that has gone to the press gallery, on page 3, second paragraph, contains a typographical error. The word "neutral" in the fifth line, at the end of the line, should be "mutual," rather than "neutral."

I ask unanimous consent that the press release be printed in the RECORD at this point.

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

NOVEMBER 19, 1963.

DEAR COMMISSIONER TOBRINER: I would appreciate receiving from you at your earliest convenience, answers to the following questions which I shall need in connection with my study of the policies and practices of the Metropolitan Police Department.

1. How much time has Pvt. George Whaler spent during duty hours in any activity other than official police work during 1960, 1961, 1962, and 1963? It is necessary to have the exact dates and amount of time spent, if any, on activities other than official duties whether approved by a superior police officer or not.

2. The same information, as requested above, is needed pertaining to Royce Givens and each member of the executive board and legislative committees of the District of Columbia Policemen's Association.

3. The name, rank, and age of each police officer holding the position of captain or above who has resigned from the Metropolitan Police Department since 1957 on account of disability.

4. Has the District Commissioners' order as reported in the Evening Star of January 4, 1963, pertaining to cracking down on speeding and reckless motorists, been carried out to any appreciable degree?

5. What measures are being taken, if any, by the Metropolitan Police Department to curtail the alarming increase in traffic fatalities on District of Columbia streets?

6. The number of officers holding the rank of captain in the Metropolitan Police Department; their assignments; and the exact nature of the work performed by each such officer.

7. I would like to have furnished to me the real estate holdings of all officers, captain or higher, owning real estate in the District of Columbia; the acquisition date and value.

8. My next question is a very broad one and I recognize that it will probably require several weeks to obtain the detailed information that I seek. However, I am interested in the recruitment policies that are followed in the selecting of members of the Washington, D.C., Metropolitan Police force. Therefore, I would like to have compiled for me a list of the names of the new men added to the Washington Police force during the past 8 years. I want to know from what States they were selected and what their past police experience has been, if any, and a synopsis of their qualifications which formed the basis of their selection, including their educational background.

9. I also wish to have compiled for me a listing of the promotions within the Washington Metropolitan Police Department within the past 5 years. This should be accompanied by a detailed statement as to the promotion policies and the criteria that are used in making promotions in the District of Columbia. Later, I shall submit to you further questions on this subject in respect to the procedures that are followed in conducting that part of the promotion policy that deals with written questions and the part dealing with the oral examination. I have been advised that herein lies an interesting field for study in respect to its possible racial policies.

10. I note from the press that administrative officials in the District of Columbia government, including, apparently, the chief of police, describe the District of Columbia Policeman's Association as a union of policemen which has no official relationship to the chief of police or to the District of Columbia Commissioners.

I desire to have you prepare for me a detailed report covering the past 8 years on any official relationships that have existed between the chief of police and his executive assistants and the District of Columbia Policemen's Association.

I desire to have the same information with regard to any relationships that have existed between the District of Columbia Board of Commissioners, including the District of Columbia General Administration, and the District of Columbia Policemen's Association.

For example, I want to know to what extent, if any, the chief of police and his executive assistants and the District of Columbia Board of Commissioners have ever consulted with the District of Columbia Policemen's Association when there has been pending before the Congress any legislation that affects the District of Columbia Metropolitan Police Department or that affects any other District of Columbia government matter.

As you know, I have been on the Senate District of Columbia Committee for a good many years. To put it bluntly, I have been lobbied time and time again by the District of Columbia Policemen's Association, and I have never been given the impression that the District of Columbia Policemen's Association was acting in a vacuum as far as the mutual interests of the chief of police and the District of Columbia Board of Commissioners were concerned with respect to District of Columbia legislation.

11. Next, I would like to have you obtain for me copies of all speeches, press releases, testimony and public statements that Chief of Police Murray and his subordinates maintaining a position of captain or above, have made during the past 6 years on any and all topics involved in the consideration of legislation in the Congress affecting law enforcement in the District of Columbia. This information should include the statements of the aforementioned police officials in respect to such issues as the Mallory case, the Durham rule, arrests for investigation, the causes of crime in the District of Columbia, and the host of other statements on a myriad of subjects that have flowed out of the executive offices of the Washington Metropolitan Police Department during this period of time.

I need the information requested in the foregoing questions for my preliminary study of a much more extensive study that I intend to conduct next year of the Washington Metropolitan Police Department and its policies.

At a later time, I shall submit to you a series of questions that will deal with some of the race problems in the District of Columbia as they relate to the policies of the Metropolitan Police Department.

As you may know, for many years I worked in the field of crime correction and law enforcement investigation studies. My work on the Senate District of Columbia Committee in my capacity as chairman of the Subcommittee on Public Health, Education,

Welfare, and Safety causes me to believe that the type of study that I am going to make of the Washington Metropolitan Police Department is long overdue.

Sincerely yours,

WAYNE MORSE.

Mr. MORSE. I wish to make this comment about future questions the senior Senator from Oregon will be asking the Board of Commissioners, and later the Police Department itself. I propose, in the weeks immediately ahead, by calling for answers to these questions, to obtain the basic material I shall need for a study and consideration preliminary to hearings which I shall conduct in the next session of Congress as chairman of the subcommittee of the Senate Committee on the District of Columbia that has jurisdiction over the Washington Police Department. I say at the close of my letter today:

As you may know, for many years I worked in the field of crime correction and law enforcement investigation studies. My work on the Senate District of Columbia Committee in my capacity as chairman of the Subcommittee on Public Health, Education, Welfare, and Safety causes me to believe that the type of study that I am going to make of the Washington Metropolitan Police Department is long overdue.

Back in 1932 I directed the Oregon crime survey, which dealt in part with police practices and abuses, and I have been associated with similar surveys. While a Special Assistant to the Attorney General of the United States, I directed the five volumes of the work, which was subsequently published, dealing with problems of law enforcement.

Recent developments in the District of Columbia and the various lobbying activities of the chief of police calling for support for the so-called omnibus crime bill, which, in my opinion, has shocking unconstitutional proposals in it, give me great concern as to what is happening in the administration of the Police Department in Washington, D.C.; and I propose to look into it and find out what the facts are.

FOREIGN AID IN CAMBODIA, MALAYSIA, AND INDONESIA

Mr. MORSE. Mr. President, turning to my last item for tonight, news stories on the wire service tickers carry two items about the foreign aid program that concern me very much.

One of them involves Cambodia, which has announced that all U.S. aid programs there are being terminated immediately. The reaction of the United States is clearly one of trying to get Cambodia to change its mind. One of the major objections I have to the present foreign aid program—and it is one I referred to frequently during the recent debate—is that so much of it stems from American insistence that other nations accept our financial and military aid. The Cambodian episode is but another example of this major characteristic of foreign aid—it is extended not so much because other countries want it as it is extended because we want them to have it.

Under those circumstances, it cannot be wondered at that so much corruption and waste results. The recipient need make little effort to maximize the effect of American capital when we are pressing it on him.

The pile of the Comptroller General's critical reports, measuring over 18 inches high, that I used during the course of the debate bears witness to the fact that much of the waste and corruption in the field of military aid—economic aid, too, but particularly military aid—were caused because we forced aid upon countries that did not ask for it and did not want it. It was forced upon them. The results were what we would expect them to be with such aid—they wasted much of it. It led to bribery, to stealing, to pilfering, and to shocking corruption. Of course, that fact has greatly damaged the prestige and image of the United States in those areas of the world. In fact, as we go into some areas of the world we are charged with being both fools and hypocrites.

The second story involves Malaysia and Indonesia. It carries a protest from a Malaysian spokesman charging the United States with a "two-faced" policy of helping Indonesia while we also extend aid to Malaysia. Despite the evidence brought out in the hearings in the House of Representatives that Indonesia was buying jet airliners at the same time it was negotiating for American foreign aid in the same amount, and despite the argument of the President that aid had been cut off to Indonesia, it appears that our aid is actually continuing. The memorandum which I read to the Senate on November 7 indicated that negotiations for certain development loans had been terminated, but that military aid, technical assistance, and food-for-peace sales are continuing.

I do not wonder that Malaysia is charging us with being two-faced, because that is the best description I know for American policy. That is becoming another characteristic of American foreign aid. We are so anxious to have a hand in the military affairs of every nation in the world that we force on them our training programs and military equipment whether they want them or not, and with no regard whatever for the uses to which they will be put. We did that in Yugoslavia. Congress heard throughout the first Eisenhower administration that by giving military equipment and training to the Yugoslav army we were decreasing its dependence upon the Soviet Union and assuring that said army would form ties with the West. What baloney. Congress terminated the military aid program for Yugoslavia; subsequently, we terminated economic aid to Yugoslavia, too, all over vehement protests from "downtown." But the record of history was already clear that Yugoslavia was going to follow policies toward Russia and toward the West that had little to do with whether she received aid from us or not.

Yet we are being fed the same "line" now about Indonesia. The memorandum of the State Department in opposition to the Proxmire amendment states:

The record of the Indonesian military commends it for U.S. support. Even while Indonesia was receiving upward of $1 billion of military aid from the Soviet Union, the army steadfastly held to its anti-Communist posture. It would be utter folly for us to now abandon Indonesian military.

What record of the Indonesian military comends it for U.S. support? Why, in 1948 it suppressed a Communist uprising. The fact that since then it has embarked on aggressions against the Dutch, and now against Malaysia, apparently is of no concern to the Department of State, and certainly not to the Pentagon. Both these agencies are impressed when a nation can receive Soviet aid and still be anti-Communist.

Mr. President, watch out for two-timers. Do not ever trust them. And two-timing Indonesia cannot be trusted. The Pentagon and the State Department never seem to understand that a nation can also receive American aid and still be anti-American and anti-everything the United States is trying to achieve. Many Pentagon and State Department officials still do not recognize an international streetwalker when they see one.

That is an apt description of Sukarno. They still cannot understand that there are no favors to be gotten from Indonesia that are not available to everyone, Communist and non-Communist alike, so long as the money keeps coming in.

In my opinion, not only the Proxmire amendment but the Gruening amendment will have the result of terminating U.S. aid to Indonesia so long as her aggressive policy toward Malaysia continues. In my opinion, this episode is the best evidence since Congress ended the programs in Yugoslavia that only Congress can provide meaningful and effective foreign aid policy control. The Indonesian case is a good reason for Congress to make an ever more thorough examination of the program in the months ahead in the hope that instead of having to try its best to end aid in a given country where the program is creating trouble, Congress can prevent aid from getting started in such a country.

Mr. President, thus, for the benefit of the publishers and editors of the Washington Post, and for the benefit of those who are trying to defend giving to the President unchecked power in the field of foreign aid, I recommend that they take a good long look at what is happening in Indonesia.

I say to the American voters: "You had better make it perfectly clear that you intend to hold this and all further administrations accountable for any attempt on their part to exercise an unchecked discretion in giving further aid, military or economic, to a country headed by a man like Sukarno, because Indonesia is a serious threat to the peace in Asia, and any further support of it will do greater damage to the prestige and image of the United States in that part of the world."

RECESS TO 12 O'CLOCK NOON TOMORROW

Mr. MORSE. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 8 o'clock and 41 minutes p.m.) the Senate

recessed, under the previous order, until tomorrow, Thursday, November 21, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate November 20 (legislative day of October 22), 1963:

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

Maj. Gen. Alva Revista Fitch, O18113, U.S. Army, in the grade of lieutenant general.

IN THE AIR FORCE

The following-named officers to be assigned to positions of importance and responsibility designated by the President in the grade indicated, under the provisions of section 8066, title 10 of the United States Code.

In the grade of lieutenant general

Maj. Gen. Cecil M. Childre, 1551A, Regular Air Force.

Maj. Gen. Benjamin J. Webster, 974A, Regular Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. James Francis Collins, O16819, Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

Lt. Gen. Hugh Pate Harris, O18518, Army of the United States (major general, U.S. Army), in the grade of general.

HOUSE OF REPRESENTATIVES

WEDNESDAY, NOVEMBER 20, 1963

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. ALBERT].

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

Psalm 90: 12: *So teach us to number our days that we may apply our hearts unto wisdom.*

Most merciful and gracious God, in whose divine keeping and control are our days, we thank Thee for this day which has come as a fresh gift from Thy hands.

May there be nothing in this day's work of which we shall be ashamed when the sun has set or at the eventide of life when Thou dost call us to Thyself.

We are again approaching Thy throne of grace, with our many needs, through the old and familiar way of prayer which is always open unto those who come unto Thee with a humble spirit and a contrite heart.

We are not asking Thee to deal with our beloved country in any preferential manner and that it may become an industrial paradise or an economic Garden of Eden, with plenty to eat, plenty to wear, and plenty to play with, when vast multitudes are finding the struggle of life so difficult.

Give us a large part in building a better world and a finer civilization.

Hear us in Christ's name. Amen.

THE JOURNAL

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On November 19, 1963:

H.R. 1989. An act to authorize the government of the Virgin Islands to issue general obligation bonds; and

H.R. 5244. An act to modify the project on the Mississippi River at Muscatine, Iowa, to permit the use of certain property for public park purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6518. An act to improve, strengthen, and accelerate programs for the prevention and abatement of air pollution.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MUSKIE, Mr. RANDOLPH, Mr. MOSS, Mr. METCALF, Mr. BOGGS, and Mr. PEARSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 129. Joint resolution to amend section 702 of the Housing Act of 1954 to increase the amount available to the Housing and Home Finance Administrator for advances for planned public works.

SELECT COMMITTEE ON GOVERNMENT RESEARCH

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the Select Committee on Government Research be permitted to sit during general debate today and for the balance of the week.

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

There was no objection.

SUBCOMMITTEE ON LABOR

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the General Subcommittee on Labor of the Committee on Education and Labor be permitted to sit during general debate today.

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

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Commerce and Finance of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate today.

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

There was no objection.

BAD EFFECT OF DEPRESSED AREA LEGISLATION

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

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

There was no objection.

Mr. MICHEL. Mr. Speaker, I have just been advised that Radio Manufacturing Engineers, Inc., which has one plant in my district in Washington, Ill., and one in Eureka, Ill., represented by my good friend LES ARENDS is pulling up stakes and moving to eastern Tennessee.

Both of these plants are subsidiaries of Electro Voice Co. of Buchanan, Mich., making cartridges on tone arms for phonographs, employing some 150 to 200 persons and have attempted to get defense contracts. Having failed and lost their three last attempts to bid on defense contracts because competitors from so-called depressed areas are given a preference, these plants are being closed and moved to an area in eastern Tennessee so they can get a similar preference and bid more competitively. What is more, under the ARA program, they will get their new plants built for them, in Tennessee, by local entities with Federal funds.

This is a clear-cut case of pirating of industry and points up the folly of so-called depressed areas legislation. I opposed it when it was considered in the House and this is just one good reason for my continuing opposition to the program and I suspect there are many other fine districts around the country being adversely affected by this program.

SEVENTEENTH ANNUAL REPORT ON U.S. PARTICIPATION IN THE UNITED NATIONS DURING 1962—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. Doc. 167)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed with illustrations.