SENATE

WEDNESDAY, SEPTEMBER 8, 1965

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

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

Our Father God, whose paths are mercy and truth, before the white splendor of Thy purity every vileness shrinks away.

Lift us, we pray Thee, as we come above the smog of the immediate and set our gaze on the wide horizons of abiding verities. In the anxious contemplation of conditions that baffle us, in the grip of swift currents which sweep us on, contending with evil forces whose hideous cruelty stabs our hearts with anguish, it is only the ultimate reality of Thy presence in such a world, and the final invincibility of Thy truth, which keeps our feet from slipping in the whelming flood.

This day fix our eyes, we beseech Thee, not chiefly on what we vow before Thee to tear down, but upon what in Thy name, and for the sake of all Thy children, we pledge as channels of Thy might to build up.

We bring our prayer in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, September 7, 1965, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Geisler, one of his secretaries, and he announced that on September 1, 1965, the President had approved and signed the following acts:

S. 69. An act for the relief of Mrs. Genevieve Olsen;

S. 97. An act for the relief of Lt. Raymond E. Berube, Jr.;

S. 134. An act for the relief of Lloyd K. Hirota;

S. 572. An act for the relief of Robert L. Wolverton;

S. 1138. An act for the relief of Lt. Robert C. Gibson;

S. 1196. An act for the relief of Wright G. James; and

S. 1267. An act for the relief of Jack C. Winn, Jr.

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 795. An act to provide for the assessing of Indian trust and restricted lands within the Lummi Indian diking project on the Lummi Indian Reservation in the State of Washington, through a drainage and diking district formed under the laws of the State;

S. 2420. A bill to provide continuing authority for the protection of former Presidents and their wives or widows, and for other purposes;

S.J. Res. 89. Joint resolution extending for 2 years the existing authority for the erection in the District of Columbia of a memorial to Mary McLeod Bethune; and

S.J. Res. 102. Joint resolution to authorize funds for the Commission on Law Enforcement and Administration of Justice and the District of Columbia Commission on Crime and Law Enforcement.

The message also announced that the House had agreed to the amendment of the Senate numbered 4 to the bill (H.R. 205) to amend chapter 35 of title 38 of the United States Code in order to increase the educational assistance allowances payable under the war orphans' educational assistance program, and for other purposes; and that the House had disagreed to the amendments of the Senate numbered 1, 2, and 3 to the bill.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

H.R. 1443. An act for the relief of Mrs. Olga Bernice Bramson Gilfillan;

H.R. 1627. An act for the relief of Esterina Ricupero;

H.R. 1820. An act for the relief of Winsome Elaine Gordon;

H.R. 2678. An act for the relief of Joo Yul Kim;

H.R. 2871. An act for the relief of Dorota Zytka;

H.R. 3292. An act for the relief of Consuelo Alvarado de Corpus;

H.R. 4465. An act to enact part III of the District of Columbia Code, entitled "Decedents' Estates and Fiduciary Relations," codifying the general and permanent laws relating to decedents' estates and fiduciary relations in the District of Columbia;

H.R. 5024. An act to amend titles 10 and 14, United States Code, and the Military Personnel and Civilian Employees' Claims Act of 1964, with respect to the settlement of claims against the United States by members of the uniformed services and civilian officers and employees of the United States for damage to, or loss of, personal property incident to their service, and for other purposes;

H.R. 6719. An act for the relief of Mrs. Kazuyo Watanabe Ridgely;

H.R. 9570. An act to amend the Federal Firearms Act to authorize the Secretary of the Treasury to relieve applicants from certain provisions of the act if he determines that the granting of relief would not be contrary to the public interest, and that the applicant would not be likely to conduct his operations in an unlawful manner; and

S.J. Res. 53. Joint resolution to establish a tercentenary commission to commemorate the advent and history of Father Jacques Marquette in North America, and for other purposes.

CALL OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of certain measures on the calendar, beginning with Calendar No. 658.

The VICE PRESIDENT. Without objection, it is so ordered. The clerk will state the first bill.

CHANGING INLAND, GREAT LAKES, AND WESTERN RIVERS RULES

The bill (S. 1349) to amend the inland, Great Lakes, and western rivers rules concerning sailing vessels and vessels under 65 feet in length was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That article 20 of section 1 of the Act of June 7, 1897 (33 U.S.C. 205), is amended by adding the following sentence at the end thereof: "This rule shall not give to a sailing vessel the right to hamper, in a narrow channel, the safe passage of a steam vessel which can navigate only inside that channel."

SEC. 2. Article 25 of section 1 of the Act of June 7, 1897 (33 U.S.C. 210), is amended by adding the following paragraph at the end thereof: "In narrow channels a steam vessel of less than sixty-five feet in length shall not hamper the safe passage of a vessel which can navigate only inside that channel."

SEC. 3. Rule 19 of section 1 of the Act of February 8, 1895 (33 U.S.C. 284), is amended by adding the following sentence at the end thereof: "This rule shall not give to a sailing vessel the right to hamper, in a narrow channel, the safe passage of a steam vessel which can navigate only inside that channel."

SEC. 4. Rule 24 of section 1 of the Act of February 8, 1895 (33 U.S.C. 289), is amended by adding the following paragraph at the end thereof: "In all narrow channels a steam vessel of less than sixty-five feet in length shall not hamper the safe passage of a vessel which can navigate only inside that channel."

SEC. 5. The rule numbered 20 in section 4233 of the Revised Statutes, as amended (33 U.S.C. 345), is further amended by adding the following sentence at the end thereof: "This rule shall not give to a sailing vessel the right to hamper the safe passage of a large steam vessel or vessel with tow that is ascending or descending a river."

SEC. 6. Section 4233 of the Revised Statutes, as amended, is further amended by adding the following new rule after rule numbered 23:

"Rule twenty-three (A). A steam vessel of less than sixty-five feet in length which can maneuver easily shall not hamper the safe passage of a large vessel or vessel with tow that is ascending or descending a river."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 675), explaining the purposes of the bill.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

PURPOSE OF THE BILL

The purpose of this bill, S. 1349, is to amend the inland, Great Lakes, and western rivers rules to clarify the duties of small craft when operating in narrow channels in which large vessels are also navigating.

LEGISLATIVE BACKGROUND

The bill, S. 1349, was introduced at the request of the Secretary of the Treasury. A hearing was held on the bill on August 6, 1965, by the Merchant Marine and Fisheries Subcommittee. In addition to administration support, the bill has been endorsed by the Lake Carriers' Association, which represents Great Lakes vessel operators.

GENERAL STATEMENT

Under the general rules of the nautical road, no distinction is made in regard to size of the vessels concerned. In most situations such uniform application presents no serious problem. However, difficulties have arisen in which small vessels have insisted upon what they considered to be their right-of-way over larger oceangoing ships or tugs with tows. This difficulty has been critical in narrow channels where maneuvering ability is limited. Under such circumstances the present rules of the road provided that all vessels shall be operated with due regard to any special circumstances including limitations of the craft which may render a departure from the general rules necessary. This legislation would make explicit those duties upon the small boat operators in those circumstances in which large vessels are required to maneuver in narrow channels.

This proposal is similar in wording to the rules recently adopted for international use by the International Conference on Safety of Life at Sea, 1960, which became effective September 1, 1965.

AMENDMENT OF MERCHANT MARINE ACT

The bill (H.R. 5989) to amend section 27, Merchant Marine Act of 1920, as amended (46 U.S.C. 883), was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 676), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill, H.R. 5989, is to permit empty vans and shipping tanks to be transported between points in the United States by vessels not qualified or permitted to engage in the coastwise trade.

BACKGROUND OF LEGISLATION

This bill, H.R. 5989, passed the House on May 17, 1965. The Subcommittee on Merchant Marine and Fisheries held a hearing on the bill on August 6, 1965. The legislation is supported by the Departments of Commerce and State, and the Treasury Department has no objection to enactment. At the hearing the legislation was endorsed by the Pacific American Steamship Association and the Foreign Shipowners Association of the Pacific coast. No objection to favorable enactment was received from any source.

GENERAL STATEMENT

Section 27 of the Merchant Marine Act, 1920, prohibits the transportation of merchandise in the coastwise trade by vessels other than those built in and documented under the laws of the United States. This bill amends section 27 by adding a proviso which would allow empty vans and shipping tanks to be transported coastwise by vessels not otherwise qualified or permitted, if the government of the nation of registry extends reciprocal privileges to U.S. vessels.

In recent years a strenuous effort has been made by American and foreign operators to reduce the cost of ocean transportation. Since the use of containers and similar modern equipment substantially reduces the time required for loading and discharging cargo, it is anticipated that their use in foreign trade will increase significantly in the near future. This development is to the advantage of American shippers, importers, and carriers. This legislation will encourage this modernization effort by permitting operators to more effectively locate and position this equipment. The fact that section 607 of the Merchant Marine Act, 1936, considers cargo vans as equipment of the vessel rather than cargo suggests that this legislation is consistent with the present interpretation and encouragement of the use of this equipment. No opposition to the legislation was expressed from any source.

CUSTOMS CONVENTION ON CONTAINERS

During the committee consideration of this legislation, attention was called to the Customs Convention on Containers signed in Geneva on May 18, 1956. The purpose of this convention is to facilitate the use of containers in international trade. The convention has been ratified by all major European trading nations, but has not been submitted to the U.S. Senate for ratification. In light of the testimony developed during the hearing, the committee believes that the employment of containers in the U.S. foreign trade should be encouraged and therefore believes that the administration should give serious consideration to submitting this convention for ratification by the Senate.

ADMEASUREMENT OF SMALL VESSELS

The Senate proceeded to consider the bill (S. 2142) to simplify the admeasurement of small vessels which had been reported from the Committee on Commerce, with amendments, on page 1, at the beginning of line 7, to strike out "it shall be" and insert "she shall be"; on page 3, after line 17, to strike out:

SEC. 2. Section 4149 of the Revised Statutes (46 U.S.C. 72) is amended to read as follows:

"SEC. 4149. The Secretary of the Treasury shall prescribe how evidence of admeasurement shall be given."

After line 21, to strike out:

SEC. 3. Section 4150 of the Revised Statutes (46 U.S.C. 74) is amended to read as follows:

"SEC. 4150. A vessel's marine document shall specify such identifying dimensions, measured in such manner as the Secretary of the Treasury may prescribe."

On page 4, after line 2, to strike out:

SEC. 4. Section 4153 of the Revised Statutes (46 U.S.C. 77) is amended by inserting before the first paragraph the following:

"The tonnage deck, in vessels having three or more decks to the hull, shall be the second deck from below; in all other cases the upper deck of the hull is to be the tonnage deck. All measurements are to be taken in feet and decimal fractions of feet."

On page 4, at the beginning of line 11, to change the section number from "5" to "2"; and, on page 5, at the beginning of line 7, to change the section number from "6" to "3"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4148 of the Revised Statutes (46 U.S.C. 71) is amended to read as follows:

"SEC. 4148. (a) Before a vessel is documented under the laws of the United States or issued a certificate of record she shall be admeasured by the Secretary of the Treasury as provided in subsection (b) or (c) of this section. A vessel which has been admeasured need not be readmeasured solely to obtain another document, unless it is a vessel admeasured under subsection (b) which is required to be readmeasured under subsection (c); but a vessel which is intended to be used exclusively as a pleasure vessel may at the owner's option be readmeasured under subsection (b).

"(b) Subject to the owner's option to have his vessel admeasured under subsection (c) of this section, a vessel which is intended to be used exclusively as a pleasure vessel shall be assigned gross and net tonnages which are the product of its length, breadth, and depth in feet and appropriate coefficients. The Secretary of the Treasury shall prescribe the manner in which the length, breadth, and depth shall be measured and the appropriate coefficients to be applied, taking due account of variations in vessel construction, to the end that, taken as a group and so far as practicable, the resulting gross tonnages shall reasonably reflect the relative internal volumes of the vessels admeasured and the resulting net tonnages shall be in the same ratio to the corresponding gross tonnages as the net and gross tonnages of comparable vessels if admeasured under subsection (c) of this section.

"(c) A vessel not admeasured under subsection (b) of this section, or a vessel admeasured under subsection (b) which is thereafter to be documented for use other than exclusively as a pleasure vessel, shall be admeasured as prescribed in sections 4150, 4151, and 4153 of the Revised Statutes, as amended (46 U.S.C. 74, 75, 77).

"(d) Whenever a vessel documented under the laws of the United States undergoes a change affecting tonnage, or its owner or the Secretary of the Treasury alleges error in its tonnage, it shall be readmeasured to the extent necessary and its tonnage redetermined under this section.

"(e) The tonnage of a vessel for which a document or certificate of record has been issued before the effective date of this subsection need not be redetermined solely because of amendments to Federal law enacted at the same time as this subsection; but if it is eligible for admeasurement under subsection (b) of this section its owner shall have the option of having it readmeasured under that subsection.

"(f) The Secretary of the Treasury shall make such regulations as may be necessary to carry out the provisions and intent of this section and of sections 4149, 4150, 4151, and 4153 of the Revised Statutes, as amended (46 U.S.C. 72, 74, 75, 77)."

SEC. 2. The following statutes and parts of statutes are repealed:

(a) Section 4152 of the Revised Statutes (46 U.S.C. 76).

(b) The second and third paragraphs following paragraph (i), and the first sentence of the last paragraph, reading "The register of the vessel shall express the number of decks, the tonnage under the tonnage deck, that of the between decks, above the tonnage decks; also that of the poop or other enclosed spaces above the deck, each separately.", of section 4153 of the Revised Statutes, as amended (46 U.S.C. 77).

(c) Section 4181 of the Revised Statutes (46 U.S.C. 73).

(d) Section 4331 of the Revised Statutes (46 U.S.C. 273).

(e) Section 2 of the Act of March 2, 1895 (ch. 173, 28 Stat. 743; 46 U.S.C. 78).

(f) Section 4 of the Act of March 2, 1895 (ch. 173, 28 Stat. 743), as amended (46 U.S.C. 79).

SEC. 3. This Act shall take effect upon the expiration of ninety days after the date of its enactment.

Mr. ELLENDER. Mr. President, may we have an explanation of S. 2142?

Mr. MANSFIELD. Mr. President, the bill was introduced at the request of the Secretary of the Treasury. The legislation is identical to that introduced at the Treasury Department's request in the 88th Congress, S. 2793, which was not acted upon because it was submitted late in the session. A hearing was held on S. 2142 on August 6, 1965, by the Merchant Marine and Fisheries Subcommittee. Favorable testimony was received by representatives from the Treasury Department. No opposition has been expressed to the legislation.

Under the present law, vessels, regardless of their size, must be measured before the vessel may be registered or documented. The measurement of vessels is a responsibility of the Bureau of Customs and involves a rather intricate system of tonnage computation based on detailed and time-consuming physical measurement of the hull and deck structure. The bill would permit the substitution at the owner's option of a simplified method of admeasurement for small pleasure craft. The Treasury Department estimated that formal admeasurement of pleasure vessels, under the present law, takes an average of 7½ hours of an admeasurer's time. Under the simplified admeasurement requirements, this time will be reduced to less than 1½ hours a vessel. Based on a conservative estimate of employing the simplified admeasurement principle in the documentation of 1,200 pleasure craft a year, the Department anticipates an annual savings to the Government of approximately $45,000.

Mr. ELLENDER. As I understand, the bill deals merely with the measurement of vessels and has nothing to do with licensing.

Mr. MANSFIELD. The Senator is correct. These bills have been considered thoroughly by the distinguished Senator from Delaware [Mr. WILLIAMS].

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

The amendments were agreed to.

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

The bill (S. 2142) was ordered to be engrossed for a third readng, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 677), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of this bill, S. 2142, is to simplify the admeasurement of small vessels for the purpose of expediting documentation.

LEGISLATIVE BACKGROUND

The bill was introduced at the request of the Secretary of the Treasury. The legislation is identical to that introduced at the Treasury Department's request in the 88th Congress, S. 2793, which was not acted upon because it was submitted late in the session. A hearing was held on S. 2142 on August 6, 1965, by the Merchant Marine and Fisheries Subcommittee. Favorable testimony was received by representatives from the Treasury Department. No opposition has been expressed to the legislation.

GENERAL STATEMENT

Under the present law, vessels, regardless of their size, must be measured before the vessel may be registered or documented. The measurement of vessels is a responsibility of the Bureau of Customs and involves a rather intricate system of tonnage computation based on detailed and time-consuming physical measurement of the hull and deck structure. The bill would permit the substitution at the owner's option of a simplified method of admeasurement for small pleasure craft. The Treasury Department estimated that formal admeasurement of pleasure vessels, under the present law, takes an average of 7½ hours of an admeasurer's time. Under the simplified admeasurement requirements, this time will be reduced to less than 1½ hours a vessel. Based on a conservative estimate of employing the simplified admeasurement principle in the documentation of 1,200 pleasure craft a year, the Department anticipates an annual savings to the Government of approximately $45,000. In addition to saving the Government money, the enactment of the bill will speed up the documentation of small vessels freeing Treasury Department personnel for faster processing of the admeasurement of commercial vessels and reduce the cost of documentation to small pleasure craft owners.

The committee amended the legislation to delete sections 2, 3, and 4. The reason for these deletions was that identical changes in the law are proposed in S. 906, a bill to provide for the measurement of the gross and net tonnages for certain vessels having two or more decks, which has also been favorably reported by the committee.

ANALYSIS

Subsection 1(a) provides for the admeasurement of vessels generally, permits a consolidation of the pertinent provisions of 46 U.S.C. 71, 73, and provides that a vessel need not be readmeasured to obtain another document unless it is one assigned a formula tonnage which is to be documented for use other than exclusively for pleasure.

Subsection 1(b) provides for the admeasurement of pleasure vessels by means of assigning tonnage based on a formula. This subsection also preserves to the owner the right to choose formal admeasurement under subsection 1(c).

Subsection 1(c) provides for the admeasurement of vessels now or henceforth to be used for other than pleasure purposes, and of pleasure vessels whose owners so choose, by the procedure for formal admeasurement heretofore applicable.

Subsection 1(d) adds a new provision to existing law so as to provide for tonnage adjustments in accordance with existing administrative practice.

Subsection 1(e) gives the owner of a vessel which has already been formally admeasured the option of retaining his present tonnage outturn or of requesting a formula tonnage assignment if his vessel is a pleasure vessel. Thus any change in the tonnage of existing vessels will depend on the owners' option.

Subsection 1(f) grants regulatory authority to the Secretary superseding the authority formerly contained in section 4 of the act of March 2, 1895 (46 U.S.C. 79), which is repealed in subsection 5(f).

Section 2 eliminates the statutory prescription for the form and execution of a certificate of admeasurement and substitutes authority in the Secretary of the Treasury to prescribe how and by whom evidence of admeasurement shall be given.

Section 3 gives the Secretary of the Treasury authority to eliminate unnecessary admeasurement data from the vessel document. This is particularly necessary in the case of vessels to be covered by formula admeasurement, which will use dimensions more readily ascertainable by owners and builders than register dimensions. This overrides specifications in 46 U.S.C. 25, 259, as to dimensions to be shown in vessel documents.

Section 4 restates at the beginning of 46 U.S.C. 77 the location of the "tonnage deck" and the requirement that measurements be taken in feet and decimal fractions of feet, both from 46 U.S.C. 74, as it stood before amendment by section 3.

Section 5 repeals those parts of existing law superseded by the bill. They are:

(a) 46 U.S.C. 76—Admeasurement limited to documented vessels or others specially provided for. Covered by section 1.

(b) 46 U.S.C. 77—Second and third paragraphs and first sentence of last paragraph following paragraph (i)—Statutory requirements for specific admeasurement data on vessel document repealed to permit regulation by Secretary under section 3.

(c) 46 U.S.C. 73—Provision for admeasurement of recorded vessels. Covered by section 1.

(d) 46 U.S.C. 273—Authority for admeasurement of 5 to 20 net ton licensed vessels superseded by section 1.

(e) 46 U.S.C. 78—Provisions for readmeasurement required by 1895 act. Now obsolete.

(f) 46 U.S. 79—Existing regulatory authority superseded by subsection 1(f).

Section 6 provides for an effective date 90 days after enactment.

While it is certain that adoption of the bill would result in substantial savings of admeasurers' time, it is impossible to project the budgetary effect with any precision.

THE ST. CROIX NATIONAL SCENIC RIVERWAY

The Senate proceeded to consider the bill (S. 897) to provide for the establishment of the St. Croix National Scenic Waterway in the States of Minnesota and Wisconsin, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 12, after the word "Scenic," to strike out "Waterway" and insert "Riverway"; at the beginning of line 13, to insert "The boundaries of the Saint Croix National Scenic Riverway shall be as generally depicted on map numbered NRS–STC–7100–C, revised July 15, 1965, in seven sheets, and entitled 'Proposed Saint Croix National Scenic Riverway Preliminary Boundary Plan'. The Secretary may thereafter revise such boundaries from time to time, but the acquired lands and waters or interests therein within the revised boundaries may not exceed

the limits mentioned in subsection (b) of this section."; in line 24, after the word "Scenic," to strike out "Waterway" and insert "Riverway"; at the top of page 3, to strike out:

(1) Along the lake created by the dam on the Saint Croix River near Taylors Falls, Minnesota, the Secretary may acquire not more than six hundred and forty acres which may include not to exceed two miles of lake frontage;

At the beginning of line 6, to strike out "(2)" and insert "(1)"; in line 10, after the word "than," to strike out "three hundred and twenty" and insert "four hundred"; in the same line, after the word "per," to strike out "m" and insert "mile;"; at the beginning of line 12, to strike out "(3)" and insert "(2)"; in the same line, after the word "the", to insert "north end of the lake created by the"; in line 15, after the word "River", to insert "except for lands which are located within an incorporated city, village, or borough as of January 1, 1965."; in line 21, after the word "thousand", to strike out "and six hundred"; in line 22, after the word "of", to insert "lake and"; on page 4, at the beginning of line 3, to strike out "(4)" and insert "(3)"; at the beginning of line 7, to strike out "three hundred and twenty acres per mile, except that not more than six hundred and forty acres which may include not to exceed two miles of lake frontage may be acquired along the lake created by the dam at Trego, Wisconsin." and insert "three hundred and twenty acres per mile: *Provided*, That the Secretary's authority to acquire lands by condemnation along the lake created by the dam at Trego, Wisconsin, with the exception of not more than six hundred and forty acres which may include not to exceed two miles of lake frontage, shall be suspended so long as the appropriate local zoning agency shall have in force and applicable to such property a duly adopted, valid zoning ordinance that is satisfactory to the Secretary."; in line 24, after the word "otherwise.", to insert "In the exercise of his exchange authority the Secretary may accept title to any non-Federal property within the Saint Croix National Scenic Riverway, and in exchange therefor he may convey to the grantor of such property any federally owned property under his jurisdiction which he classifies as suitable for exchange or other disposal. The properties so exchanged shall be of approximately equal value: *Provided*, That the Secretary may accept cash from, or pay cash to, the grantor in order to equalize the values of the properties exchanged."; on page 5, line 11, after the word "Minnesota", to insert "and Wisconsin county forest lands"; in line 22, after the word "Scenic", to strike out "Waterway" and insert "Riverway"; on page 6, after line 3, to insert:

(f) The Secretary's authority to acquire improved property by condemnation shall be suspended, notwithstanding the absence of a valid zoning ordinance that is satisfactory to the Secretary, if the owner thereof uses such property solely for noncommercial residential use unchanged from the character of the use as it exists on the date of passage of this Act, and if any modification of the structures on the property is consistent with the standards regarding acreage, frontage, and setback requirements issued pursuant to section 2 of this Act. Such owner may sell, mortgage, lease, or devise said property, and such suspension shall remain in effect as long as such property is so used.

At the beginning of line 16, to strike out "(f)" and insert "(g)"; in line 18, after the word "Scenic", to strike out "Waterway" and insert "Riverway"; at the beginning of line 21, to strike out "(g)" and insert "(h)"; on page 7, at the beginning of line 14, to strike out "and" and insert "an"; at the beginning of line 18, to strike out "subsection" and insert "Act"; on page 8, line 13, after the word "Scenic", to strike out "Waterway" and insert "Riverway"; in line 15, after the word "Scenic", to strike out "Waterway" and insert "Riverway"; on page 9, line 3, after the word "Scenic", to strike out "Waterway" and insert "Riverway"; at the beginning of line 20, to strike out "Waterway" and insert "Riverway"; in line 24, after the word "Scenic", to strike out "Waterway" and insert "Riverway"; on page 10, line 7, after the word "the", to strike out "recreation area" and insert "scenic riverway"; after line 9, to strike out:

SEC. 4. The Saint Croix National Scenic Waterway shall be administered, protected, and developed in accordance with such statutory authorities as may be available to the Secretary for the conservation and management of natural resources; utilizing to the fullest extent such authorities he finds will best further the purpose of this Act.

And, in lieu thereof, to insert:

SEC. 4. The Saint Croix National Scenic Riverway shall be administered, protected, and developed in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented; except that any other statutory authority available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

On page 11, line 5, after the word "Scenic", to strike out "Waterway" and insert "Riverway"; after line 5, to strike out:

SEC. 6. The Secretary shall permit hunting and fishing on lands and waters under his jurisdiction within the boundaries of the Saint Croix National Scenic Waterway in accordance with the appropriate laws of the State in which the lands and waters are located to the extent applicable; except that he may designate zones where, and establish periods when, no hunting or fishing shall be permitted for reasons of public safety, administration, fish or wildlife management, or public use and enjoyment. Except in emergencies, any regulations prescribing any such restrictions shall be put into effect only after consultation with the appropriate State agency responsible for hunting and fishing activities.

And, in lieu thereof, to insert:

SEC. 6. Nothing in this Act shall affect the jurisdiction or responsibilities of the States under other provisions of law with respect to fish and wildlife.

After line 20, to strike out:

SEC. 7. The Federal Power Commission shall not have authority under the provisions of the Federal Power Act of June 10, 1920, as amended (16 U.S.C. 791a et seq.), to license the building of any dam or other structure which the Secretary determines would adversely affect the segments of the Saint Croix and Namekagon Rivers included in the Saint Croix National Scenic Waterway unless the application is referred to the Congress and the issuance of the license is expressly authorized by statute. Any application referred to the Congress shall include the objections of the Secretary.

And, in lieu thereof, to insert:

SEC. 7. The Federal Power Commission shall not authorize the construction, operation, or maintenance of any new dam or any project work unrelated to an existing project under the Federal Power Act (41 Stat. 1063), as amended (16 U.S.C. 791a et seq.), in the wild river segment of the Saint Croix National Scenic Waterway except as specifically authorized by the Congress.

On page 12, after line 13, to strike out:

SEC. 8. The Chief of Engineers, Department of the Army, and the Secretary of the Army shall not have authority to issue permits for, or to undertake directly, the construction of any dam, dike, structure, or activity which the Secretary determines would adversely affect the segments of the Saint Croix and Namekagon Rivers included in the Saint Croix National Scenic Waterway unless the proposal is referred to the Congress and is expressly authorized by statute. Any proposal submitted to the Congress shall include the objections of the Secretary of the Interior.

At the beginning of line 24, to change the section number from "9" to "8"; on page 13, line 4, to strike out "Waterway" and insert "Riverway"; at the beginning of line 5, to change the section number from "10" to "9"; and, in line 7, after the word "this", to strike out "Act." and insert "Act, not to exceed $6,500,000"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) for the purpose of preserving the portion of the Saint Croix River, beginning at the dam near Taylors Falls, Minnesota, and extending upstream to the dam near Gordon, Wisconsin, and its Namekagon tributary in Wisconsin, as a wild river in a primitive condition, or restoring it as nearly as possible to such condition, in order to conserve its unique scenic and other natural values;

(2) for the purpose of promoting broad recreational use and more intensive types of recreational use of the portion of the Saint Croix River downstream from the dam near Taylors Falls, Minnesota, to its confluence with the Mississippi River; and

(3) for the purpose of protecting, developing, and making accessible the nationally significant outdoor recreation resources of such river segments for the use and enjoyment of all of the American people, the Saint Croix National Scenic Riverway is hereby established. The boundaries of the Saint Croix National Scenic Riverway shall be as generally depicted on map numbered NRS–STC–7100–C, revised July 15, 1965, in seven sheets, and entitled "Proposed Saint Croix National Scenic Riverway Preliminary Boundary Plan". The Secretary may thereafter revise such boundaries from time to time, but the acquired lands and waters or interests therein within the revised boundaries may not exceed the limits mentioned in subsection (b) of this section.

(b) The Secretary of the Interior (hereinafter referred to as the "Secretary") may acquire lands and waters or interests therein for the Saint Croix National Scenic Riverway as follows:

(1) From the north end of the lake created by the dam on the Saint Croix River near Taylors Falls, Minnesota, upstream to the

dam near Gordon, Wisconsin, the Secretary may acquire an average of not more than four hundred acres per mile;

(2) From the north end of the lake created by the dam on the Saint Croix River near Taylors Falls, Minnesota, downstream to its confluence with the Mississippi River, except for lands which are located within an incorporated city, village, or borough as of January 1, 1965, the Secretary may acquire an average of not more than three hundred and twenty acres per mile: *Provided,* That the Secretary's authority to acquire lands by condemnation, with the exception of not more than one thousand acres which may include not to exceed five miles of lake and river frontage that the Secretary determines are needed for public access to the river, shall be suspended so long as the appropriate local zoning agency shall have in force and applicable to such property a duly adopted, valid zoning ordinance that is satisfactory to the Secretary;

(3) On the Namekagon tributary of the Saint Croix River, from above the dam at Lake Namekagon downstream to its confluence with the Saint Croix River, the Secretary may acquire an average of not more than three hundred and twenty acres per mile: *Provided,* That the Secretary's authority to acquire lands by condemnation along the lake created by the dam at Trego, Wisconsin, with the exception of not more than six hundred and forty acres which may include not to exceed two miles of lake frontage, shall be suspended so long as the appropriate local zoning agency shall have in force and applicable to such property a duly adopted, valid zoning ordinance that is satisfactory to the Secretary.

(c) The Secretary may acquire lands and waters or interests therein pursuant to subsection (b) by donation, purchase with donated or appropriated funds, exchange, or otherwise. In the exercise of his exchange authority the Secretary may accept title to any non-Federal property within the Saint Croix National Scenic Riverway, and in exchange therefor he may convey to the grantor of such property any federally owned property under his jurisdiction which he classifies as suitable for exchange or other disposal. The properties so exchanged shall be of approximately equal value: *Provided,* That the Secretary may accept cash from, or pay cash to, the grantor in order to equalize the values of the properties exchanged.

(d) Lands owned by the States of Wisconsin and Minnesota and Wisconsin county forest lands may be acquired by the Secretary only with the consent of such States, and the Secretary may agree with said States to refrain from exercising any authority to acquire lands not owned by the said States that are within the boundaries of an area administered by them, or proposed for such administration, for such time and upon such terms and conditions as he may deem to be in the best interests of the preservation and development of the area.

(e) The Secretary's authority to acquire lands by condemnation shall be suspended with respect to any lands within the Saint Croix National Scenic Riverway which are located within an incorporated city, village, or borough when such entities shall have in force and applicable to such lands a duly adopted, valid zoning ordinance that is satisfactory to the Secretary.

(f) The Secretary's authority to acquire improved property by condemnation shall be suspended, notwithstanding the absence of a valid zoning ordinance that is satisfactory to the Secretary, if the owner thereof uses such property solely for noncommercial residential use unchanged from the character of the use as it exists on the date of passage of this Act, and if any modification of the structures on the property is consistent with the standards regarding acreage, frontage, and setback requirements issued pursuant to section 2 of this Act. Such owner may sell, mortgage, lease, or devise said property, and such suspension shall remain in effect as long as such property is so used.

(g) The Secretary shall not exercise any authority to acquire county-owned lands within the Saint Croix National Scenic Riverway as long as the county is following a plan for the management and protection of such lands that is satisfactory to the Secretary.

(h) (1) Any owner or owners (hereinafter in this subsection referred to as "owner") of improved property on the date of its acquisition by the Secretary may, as a condition of such acquisition, retain for themselves and their successors or assigns a right of use and occupancy of the improved property for noncommercial purposes for a definite term not to exceed twenty-five years, or, in lieu thereof, for a term ending at the death of the owner, or the death of his spouse, or the death of either of them. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

(2) A right of use and occupancy retained pursuant to this subsection shall be subject to termination by the Secretary upon his determination that such use and occupancy is being exercised in a manner not consistent with the purposes of this Act and upon tender to the holder of the right an amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

(3) The term "improved property", as used in this Act, shall mean a detached, one-family dwelling, the construction of which was begun before January 1, 1965 (hereinafter referred to as "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

SEC. 2. (a) In order to carry out the provisions of section 1, the Secretary shall issue regulations, which may be amended from time to time, specifying standards that are consistent with the purposes of this Act for zoning ordinances which must meet his approval.

(b) The standards specified in such regulations shall have the object of (1) prohibiting new commercial or industrial uses other than commercial or industrial uses which the Secretary considers are consistent with the purposes of this Act, of all property within the Saint Croix National Scenic Riverway, and (2) promoting the protection and development for purposes of this Act of the land within the Saint Croix National Scenic Riverway by means of acreage, frontage, and setback requirements.

(c) Following issuance of such regulations the Secretary shall approve any zoning ordinance or any amendment to any approved zoning ordinance submitted to him that conforms to the standards contained in the regulations in effect at the time of adoption of the ordinance or amendment. Such approval shall remain effective for so long as such ordinance or amendment remains in effect as approved.

(d) No zoning ordinance or amendment thereof shall be approved by the Secretary which (1) contains any provisions that he considers adverse to the protection and development, in accordance with the purposes of this Act, of the area comprising the Saint Croix National Scenic Riverway; or (2) fails to have the effect of providing that the Secretary shall receive notice of any variance granted under, or any exception made to, the application of such ordinance or amendment.

(e) If any property, with respect to which the Secretary's authority to acquire by condemnation has been suspended according to the provisions of this Act, is made the subject of a variance under, or becomes for any reason an exception to, such zoning ordinance, or is subject to any variance, exception, or use that fails to conform to any applicable standard contained in the regulations of the Secretary issued pursuant to this section and in effect at the time of the passage of such ordinance, the suspension of the Secretary's authority to acquire such property by condemnation shall automatically cease.

SEC. 3. Any portion of the Saint Croix National Scenic Riverway which is within a national forest shall be administered in such manner as may be agreed upon by the Secretary of the Interior and the Secretary of Agriculture. Lands owned by an Indian tribe may be included in the Saint Croix National Scenic Riverway with the consent of the Indian tribe involved, and with respect to such lands the Secretary may enter into a cooperative agreement with the Indian tribe to encourage the protection and development of such lands in accordance with the purposes of this Act. The cooperative agreement may provide that the Indian land will be developed and administered in accordance with the laws and rules applicable to the scenic riverway, subject to any limitations specified by the tribal council and approved by the Secretary.

SEC. 4. The Saint Croix National Scenic Riverway shall be administered, protected, and developed in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented; except that any other statutory authority available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

SEC. 5. In furtherance of the purposes of this Act, the Secretary is authorized to cooperate with the States of Minnesota and Wisconsin, their political subdivisions, and other Federal agencies in formulating and implementing, through agreements or otherwise, comprehensive plans for the use, development, and conservation of the outdoor resources of the Saint Croix National Scenic Riverway.

SEC. 6. Nothing in this Act shall affect the jurisdiction or responsibilities of the States under other provisions of law with respect to fish and wildlife.

SEC. 7. The Federal Power Commission shall not authorize the construction, operation, or maintenance of any new dam or any project work unrelated to an existing project under the Federal Power Act (41 Stat. 1063), as amended (16 U.S.C. 791a et seq.), in the wild river segment of the Saint Croix National Scenic Waterway except as specifically authorized by the Congress.

SEC. 8. The Secretary shall cooperate with the Secretary of Health, Education, and Welfare, and with the appropriate State water pollution control agencies, to prepare and develop agreements for eliminating or diminishing the pollution of waters within the Saint Croix National Scenic Riverway.

SEC. 9. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act, not to exceed $6,500,000.

Mr. NELSON. Mr. President, I am delighted to have this opportunity to recommend to the Senators the passage of S. 897, the St. Croix National Scenic Riverway bill.

The bill represents the hard work and careful thought of many of us about

the best way to mold into legislation our common concern that action be taken now to preserve for future generations this priceless resource.

The junior Senator from Minnesota [Mr. MONDALE] cosponsor of this bill has worked with imagination and vigor to perfect it.

The St. Croix bill presents a magnificent opportunity to preserve forever this river, one of the most beautiful in the Nation.

Its loveliness is made the more valuable by the fact that it runs within an easy half-hour's drive of the rapidly expanding Twin Cities area. Water-based facilities near large cities are the recreation resource in greatest demand and shortest supply in the Nation.

The need to protect such magnificent resources as the St. Croix demands imaginative legislation.

The St. Croix bill, while it does not include any new or untested techniques, does represent a significant advance in Federal, State, and local cooperation for conservation.

The bill, in effect, will supply a Federal umbrella over this interstate river under which local agencies and authorities can cooperate in the development and preservation of the area.

The most concise way to explain the bill is, perhaps, to quote from the unanimous Interior Committee report. I ask unanimous consent that excerpts from that report appear in the RECORD at this point in my remarks.

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

BACKGROUND

The Outdoor Recreation Resources Review Commission, in its landmark report urging a great expansion of our Nation's outdoor recreational facilities to meet the threefold increase in outdoor recreation activities by the year 2000 pointed out that the facilities in shortest supply and greatest demand were water-based recreation areas near centers of population. Among its specific recommendations were the following:

Immediate action should be taken by Federal, State, and local governments to reserve or acquire additional waters, beach, and shoreline areas, particularly near centers of population.

Certain rivers of unusual scenic, esthetic, and recreational values should be allowed to remain in their free-flowing state and natural setting without manmade alterations.

The Federal Government should assist in meeting interstate demand situations.

Pursuant to these and other recommendations, the Congress has authorized the establishment of the Cape Cod National Seashore on the Atlantic coast, the Point Reyes National Seashore on the Pacific coast, the Padre Island National Seashore on the Gulf of Mexico, and the Ozark National Scenic Riverways. Other areas will be needed if the demands of the next 35 years are to be met, particularly in the north-central census region where, according to the ORRRC report the greatest demand for outdoor recreation facilities in the Nation will be found by 1970.

THE ST. CROIX AND NAMEKAGON RIVERS

The St. Croix River, running south to the Mississippi River at Prescott, Wis., marks the Minnesota-Wisconsin border for some hundred miles.

The upper St. Croix and its Wisconsin tributary, the Namekagon, have been carefully studied by the wild river study team and recommended for inclusion in the National Wild River System. These spectacularly beautiful streams run through mixed conifer-hardwood forests interspersed with small swamps and farm openings.

White-tailed deer abound, bear, game birds, and furbearing animals are at hand.

Fly fishing for small mouth black bass has given the St. Croix River a national reputation. Trout fishing on the upper Namekagon is considered excellent. Unusual diversity is provided by the occurrence of large muskellunge sturgeon, channel catfish, walleyed pike, northern pike, rock bass, and perch.

For some 70 miles above the dam at Taylors Falls, Minn., the Northern States Power Co. has owned the land on both sides of the river for 50 years and has maintained it in a primitive condition.

The lower St. Croix has been described as the last large clean river near a major population center in the Midwest. It runs within an easy half-hour's drive of the burgeoning 1.7 million population Twin Cities area. A broad, a beautiful river, its level maintained by lock and dam No. 3 on the Mississippi, the lower St. Croix is already one of the most popular boating waters in the Nation.

THE ST. CROIX NATIONAL SCENIC RIVERWAY PROPOSAL

S. 897, herein recommended by the committee, would incorporate not more than 85,000 acres of land and 21,200 acres of water, including 152 miles of the St. Croix River and 90 miles of the Namekagon River, into the St. Croix National Scenic Riverway. The riverway would be a narrow strip about one-quarter mile wide, along the banks of the rivers. The boundaries are indicated on Interior Department map NRS–STC 7100–C. Of the total acreage, 15,000 is already in State park and county forest land.

Aside from 31,270 acres of the Northern States Power Co. land, fee acquisition as now contemplated would be held to less than 3,000 acres in the entire riverway. The Northern States Power Co. has indicated its willingness to sell.

On privately held land along the upper St. Croix and Namekagon Rivers the Secretary of the Interior would acquire scenic and recreation easements, not disturbing the existing use patterns. On the lower St. Croix, the same recreational zoning technique that has worked well at the Cape Cod National Seashore would be utilized. In the event that zoning does not meet the Secretary's standards, the acquisition of easements rather than the purchase is intended.

Plans call for six access points on the lower St. Croix and eight sites on the upper St. Croix and Namekagon. On the lower St. Croix these sites would affect some 635 acres, not over 20 ownerships and not more than 10 improvements. On the upper riverway, exclusive of the Northern States Power Co. holdings, 1,173 acres, 20 ownerships, and 9 improvements are involved. On the upper St. Croix and Namekagon scenic easements would be purchased on 18,200 acres. There would be a total of 16,825 acres protected by zoning.

The bill provides that land within incorporated areas on the lower St. Croix are exempt from the riverway entirely.

The bill also provides that owners of improved property in areas to be acquired may retain the right of use and occupancy for noncommercial residential purposes until the death of the owner or spouse, or the death of the survivor or either of them, or else a 25-year transferrable right to use and occupancy.

On the lower St. Croix, where the Secretary of the Interior's right to condemn is suspended as long as zoning ordinances satisfactory to him are enforced, private residential, noncommercial property owners are further protected from condemnation in the event that zoning ordinances are either not in effect or not enforced. The Secretary is precluded from acquiring their property by condemnation as long as they use it in a manner in keeping with his standards including regulations covering new construction, acreage and setbacks.

State land within the riverway would not be acquired by the Secretary of the Interior without the consent of the State involved, and the Secretary may agree not to acquire any land which the State indicates it plans to acquire.

Hunting and fishing shall be permitted in the area in accordance with the laws of Minnesota and Wisconsin.

The bill includes provisions to facilitate cooperative planning for the recreational and conservation development of the riverway between all levels of government involved.

COST

The cost of acquisition of lands over a 5-year period for the St. Croix National Scenic Riverway is estimated at $3,450,000. Development costs are estimated at $3,500,000 for a total of $6,950,000. Operating costs in the fifth year are estimated at $230,030. Since these estimates were made the number of access sites to be acquired in fee has been reduced by four and it is expected that the $6,500,000 authorized by the committee for acquisition and development will be adequate.

Mr. NELSON. Mr. President, a final word about zoning. There has been some misunderstanding that zoning is aimed at prohibiting the economic development of the lower St. Croix. This is absolutely false.

First of all, land lying within incorporated areas on the lower St. Croix would be excluded from the riverway entirely.

Second, the riverway would extend only about a quarter mile back from the bank of the river.

Finally, and most important economic potential of recreation has been conclusively demonstrated. For the entire St. Croix area, the beauty of the river is the chief capital for this growth industry.

The St. Croix National Scenic Riverway represents another step forward in our efforts to improve this Nation's black record in conservation.

It will, if approved, add luster to the already fine record compiled by this Congress in the field of conservation. I wholeheartedly recommend it to the Senators.

Mr. MONDALE. Mr. President, during the last 7 months, following the introduction of the St. Croix national scenic riverway bill on January 29, public and private interest in preserving the historic character and scenic beauty of the river has been very encouraging to me.

I am pleased to announce that the bill has been reported recently by the Senate Committee on Interior and Insular Affairs with a favorable recommendation. We have worked long, hard hours on the bill trying to improve it, and trying to take into account all the reasonable and legitimate interests affected by the bill.

Representative JOSEPH E. KARTH has introduced companion legislation, similar in purpose and scope to the bill we passed through committee. He will work for House backing.

The bill, as reported from the committee, seeks to protect the entire St. Croix-Namekagon River system. But it

does so by two wholly different methods. Along the river north of Taylors Falls, the scenic and natural beauty will be protected by treating it as a "wild river," and by acquiring land and scenic easements from private property owners.

South of Taylors Falls, however, the wide range of governmental units and private property owners required different concepts. The closest possible cooperation between the Federal Government and the local governments was made necessary, and therefore an entirely new principle of creative federalism was used. Local zoning will protect the river, with Federal standby enforcement authority, to guard both scenic and recreational values.

Since the provisions of the bill affecting the lower river represent a new approach to natural resource conservation, this report will explain in brief fashion how the bill will operate in the lower St. Croix Valley.

The St. Croix River is the last major unpolluted river in the United States today. Its beauty is without question. It is a clean, large, swiftflowing waterway—within easy access to thousands of Minnesotans. But if we are to stop the flood of pollution and destruction of this river, we need the cooperation and assistance of the Federal Government. This is first of all an interstate waterway, lying between Minnesota and Wisconsin. There are dozens of local governmental units along its shores. It would be difficult for all of them, on both sides of the river, to agree on a course of action to follow.

So the Federal umbrella of protective zoning, providing local bodies with backup authority to keep the river safe, will guarantee that we protect this magnificent natural heritage of ours.

We used to fight our battles against floods, destruction of topsoil, and decimation of forests. We still face these threats. Our new challenges are even more serious, involving possible loss of those common resources that are the irreplaceable heritage of tomorrow's America—the air, the water, and the land itself.

It is up to each one of us to do our part—because only together can we prevent this from happening in Minnesota and in the St. Croix Valley. No one person can be blamed for the death of our rivers, lakes, and natural resources, and so we must all act together.

But, as every person insists upon his economic right to waste a tiny portion of our resources, and cries for conservation elsewhere, the American people are discarding their birthright—committing collective murder of our natural wealth and beauty.

We cannot allow the St. Croix to go the way of our other polluted, detergent-foam-filled, sewage-filled rivers in the United States simply because we could not see that we are losing each little skirmish to save the St. Croix, and before long, it will be too late.

We have seen the death of rivers by small inches elsewhere. The mighty Hudson River in New York is called an open, running sewer. Lake Erie, fed by the chemical and industrial wastes, of Ohio, Pennsylvania, and New York, is choking and is almost a dead lake, in which vegetation and fish life would be impossible.

If this were only a question of preserving some small portion of the great natural riches this country once had, it would be reason enough. But we are beginning to discover facts explaining the dollar value of green space, trees, and clean rivers and lakes. A special commission told the President that outdoor recreation is a business bringing in $20 billion annually—and the end is nowhere in sight. We are now realizing that recreation is going to be the single biggest dollar-earner in many water-based areas of our Nation, holding out more hope than any amount of short-range industrial development.

In the face of ever-increasing urban sprawl, in the face of the oppressive nature of concrete, steel, and auto exhaust gases in our cities, we need more than ever a place of refuge and natural beauty, removed from the clamor of the towns and cities. We must move now to protect that river.

Many people have asked how zoning will actually work under the bill. In areas within the riverway, the Secretary of the Interior will consult with State and local officials to determine what standards of protection are necessary to preserve that part of the river and its values.

Standards will then be established to prohibit new commercial and industrial expansion and uses outside cities and villages where such would be inconsistent with the beauty of character of the riverway. Standards would also establish agreement on setback, frontage, and acreage limitations for new construction of residences and other buildings.

Then, any localities that passed zoning ordinances doing these things would be exempt from regulation, in the same manner as are cities, villages, and individual residences.

If the towns or counties failed to pass ordinances or granted variances to the detriment of the river, the Secretary could then, and only then, buy such lands or interests in land as might be necessary to keep the river in its present beautiful and uncluttered state.

Of necessity the bill will demand the closest cooperation between Federal, State and local agencies, and private citizens. The necessity for Federal involvement is, however, clear.

There has been some confusion on the exact effect of the bill, and I think it would be helpful to the residents of the St. Croix Valley and neighboring areas to know what the bill does not do:

First. It does not affect individual homeowners of cottages, cabins, or other dwellings within the riverway as long as: They do not convert their property to commercial or industrial uses, and as long as new residential structures meet the minimum standards for setback and frontage.

Second. It does not wipe out or destroy present business, commerce, or industry. It prevents only new construction or expansion which is inconsistent with the preservation of the riverway.

Third. It has absolutely no effect on the local tax base, or the collection of local taxes. In any event, preservation of land values may cause property values and the tax base to rise.

Fourth. It does not affect any person or business living outside the clearly defined boundaries of the riverway.

Fifth. It does not affect any person or business within the boundaries of incorporated cities or villages.

Sixth. It does not allow unlimited acquisition of public access. In fact, only two such properties will be used. One is an overlook near Bayport, the other an access at Trout Brook.

Seventh. It does not prevent hunting and fishing with the riverway, and this remains within the exclusive authority of the States.

Eighth. It does not deprive the Federal Power Commission of authority in connection with dams and other existing structures.

Ninth. It does not prevent the Corps of Engineers from carrying out their statutory responsibilities and duties.

Tenth. Last of all, it does not allow arbitrary zoning by the Secretary, but depends upon cooperation by local zoning agencies.

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

The amendments were agreed to.

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

The title was amended, so as to read: "A bill to provide for the establishment of the Saint Croix National Scenic Riverway in the States of Minnesota and Wisconsin, and for other purposes."

Mr. NELSON. Mr. President, I ask unanimous consent that the Senate reconsider the vote by which S. 662 was passed.

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

The motion to lay on the table was agreed to.

SHIP MORTGAGE BONDS

The Senate proceeded to consider the bill (S. 2118) to clarify sections 9 and 37 of the Shipping Act, 1916, and subsection O(d) of the Ship Mortgage Act, 1020, and for other purposes which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

That section 9 of the Shipping Act, 1916 (46 U.S.C. 808), is amended by inserting a new paragraph between the existing third and fourth paragraphs thereof as follows:

"The issuance, transfer, or assignment of a bond, note, or other evidence of indebtedness which is secured by a mortgage of a vessel to a trustee or by an assignment to a trustee of the owner's right, title, or interest in a vessel under construction, to a person not a citizen of the United States, without the approval of the Secretary of Commerce, is unlawful unless the trustee or a substitute trustee of such mortgage or assignment is approved by the Secretary of Commerce. The Secretary of Commerce shall grant his approval if such trustee or a substitute trustee is a bank or trust company which (1) is organized as a corporation, and is doing business, under the laws of the United States

or any State thereof, (2) is authorized under such laws to exercise corporate trust powers, (3) is a citizen of the United States, (4) is subject to supervision or examination by Federal or State authority, and (5) has a combined capital and surplus (as set forth in its most recent published report of condition) of at least $3,000,000. If such trustee or a substitute trustee at any time ceases to meet the foregoing qualifications, the Secretary of Commerce shall disapprove such trustee or substitute trustee, and after such disapproval the transfer or assignment of such bond, note, or other evidence of indebtedness to a person not a citizen of the United States, without the approval of the Secretary of Commerce, shall be unlawful. The trustee or substitute trustee approved by the Secretary of Commerce shall not operate the vessel under the mortgage or assignment without the approval of the Secretary of Commerce. If a bond, note, or other evidence of indebtedness which is secured by a mortgage of a vessel to a trustee or by an assignment to a trustee of the owner's right, title, or interest in a vessel under construction, is issued, transferred, or assigned to a person not a citizen of the United States in violation of this section, the issuance, transfer, or assignment shall be void."

SEC. 2. Section 37 of the Shipping Act, 1916 (46 U.S.C. 835) is amended as follows:

(a) By relettering the existing subsections (c), (d), and (e) as (d), (e), and (f) and by inserting a new subsection (c) as follows:

"(c) To issue, transfer, or assign a bond note, or other evidence of indebtedness which is secured by a mortgage of a vessel to a trustee or by an assignment to a trustee of the owner's right, title, or interest in a vessel under construction or by a mortgage to a trustee on a shipyard, drydock, or shipbuilding or ship-repairing plant or facilities, to a person not a citizen of the United States, unless the trustee or a substitute trustee of such mortgage or assignment is approved by the Secretary of Commerce: *Provided, however,* That the Secretary of Commerce shall grant his approval if such trustee or a substitute trustee is a bank or trust company which (1) is organized as a corporation, and is doing business, under the laws of the United States or any State thereof, (2) is authorized under such laws to exercise corporate trust powers, (3) is a citizen of the United States, (4) is subject to supervision or examination by Federal or State authority, and (5) has a combined capital and surplus (as set forth in its most recent published report of condition) of at least $3,000,000; or for the trustee or substitute trustee approved by the Secretary of Commerce to operate said vessel under the mortgage or assignment: *Provided further,* That if such trustee or a substitute trustee at any time ceases to meet the foregoing qualifications, the Secretary of Commerce shall disapprove such trustee or substitute trustee, and after such disapproval the transfer or assignment of such bond, note, or other evidence of indebtedness to a person not a citizen of the United States, without the approval of the Secretary of Commerce, shall be unlawful; or".

(b) By inserting a new paragraph between the existing second and third paragraphs thereof as follows:

"If a bond, note, or other evidence of indebtedness which is secured by a mortgage of a vessel to a trustee or by an assignment to a trustee of the owner's right, title, or interest in a vessel under construction, or by a mortgage to a trustee on a shipyard, drydock or shipbuilding or ship-repairing plant or facilities, is issued, transferred, or assigned to a person not a citizen of the United States in violation of subsection c of this section, the issuance, transfer or assignment shall be void."

SEC. 3. Subsection O of the Ship Mortgage Act, 1920 (46 U.S.C. 961), is amended by relettering the existing paragraph (e) as paragraph (f) and by inserting a new paragraph (e) as follows:

"(e) No bond, note, or other evidence of indebtedness which is secured by a mortgage of a vessel to a trustee may be issued, transferred, or assigned to a person not a citizen of the United States, without the approval of the Secretary of Commerce, unless the trustee or substitute trustee of such mortgage is approved by the Secretary of Commerce. The Secretary of Commerce shall grant his approval if such trustee or substitute trustee is a bank or trust company which (1) is organized as a corporation, and is doing business, under the laws of the United States or any State thereof, (2) is authorized under such laws to exercise corporate trust powers, (3) is a citizen of the United States, (4) is subject to supervision or examination by Federal or State authority, and (5) has a combined capital and surplus (as set forth in its most recent published report of condition) of at least $3,000,000. If such trustee or a substitute trustee at any time ceases to meet the foregoing qualifications, the Secretary of Commerce shall disapprove such trustee or substitute trustee, and after such disapproval the transfer or assignment of such bond, note, or other evidence of indebtedness to a person not a citizen of the United States, without the approval of the Secretary of Commerce, shall be unlawful. If a bond, note, or other evidence of indebtedness which is secured by a mortgage of a vessel to a trustee is issued, transferred, or assigned to a person not a citizen of the United States in violation of this paragraph, the issuance, transfer, or assignment shall be void."

SEC. 4. Bonds, notes, and other evidence of indebtedness which are secured by a mortgage of a vessel to a trustee or by an assignment to a trustee of the owner's right, title, or interest in a vessel under construction which have heretofore been issued, transferred, or assigned, or are issued, transferred, or assigned within one year after the enactment of this Act, to a person not a citizen of the United States without the approval of the Secretary of Commerce are valid in the hands of such person and the validity and preferred status of such mortgage and the validity and lawfulness of such issuance, transfer, or assignment shall not be affected by such issuance, transfer, or assignment if the trustee or a substitute trustee is approved by the Secretary of Commerce within one year after enactment of this Act, under the standards for trustees specified in the amendments made by this Act to sections 9 and 37 of the Shipping Act, 1916, and to subsection O of the Ship Mortgage Act, 1920. This section shall not apply to any bond, note, or other evidence of indebtedness, mortgage, or assignment if the validity of such bond, note, or other evidence of indebtedness, mortgage, or assignment, or the foreclosure, validity, or preferred status of such mortgage, is in litigation on the date of enactment of this Act.

Mr. ELLENDER. Mr. President, may we have an explanation of the bill?

Mr. MANSFIELD. Mr. President, the bill, S. 2118, was introduced by request on June 10, 1965. The purpose of the legislation is to meet certain problems created by a recent U.S. court of appeals decision, Chemical Bank New York Trust Co. against the Steamship Westhampton, that could affect trust indentures and bond financing on American-flag vessels.

Hearings were held on the bill on June 23, July 15, and July 23 by the Subcommittee on Merchant Marine and Fisheries. The legislation as introduced was supported by the Maritime Administration, the Committee of American Steamship Lines, the American President Lines, and several trust companies including the Chemical Bank New York Trust Co., which is a party in the Westhampton case. The trustees of Seatrade Corp., also a party in the Westhampton case, supported the bill if amended to save certain rights in litigation on the date of enactment. The Seafarers International Union opposed the bill as introduced on the grounds that it would nullify the Westhampton decision and would enable aliens to acquire control of American-flag vessels through the trust indenture mortgage device. The bill has been amended by the committee to meet these objections.

The policy of the United States has been to encourage low-interest rates in financing the construction and reconstruction of U.S.-flag merchant vessels and, at the same time, to prohibit foreign control over the American merchant marine fleet. The purpose of this bill, as amended, is the same.

The Senator from Ohio [Mr. LAUSCHE], a member of the Committee on Commerce, is well aware of the purpose of the bill.

Mr. LAUSCHE. Mr. President, I ask that the bill be passed over temporarily, so that I may examine it.

Mr. MANSFIELD. The bill was reported unanimously by the Committee on Commerce, of which the Senator from Ohio is a member. The Senator from Delaware [Mr. WILLIAMS] has looked into it and has given it his approval.

Mr. LAUSCHE. I suggest that it go over.

Mr. MANSFIELD. Very well.

Mr. LAUSCHE. I shall notify the Senator from Montana after I have examined the bill.

The VICE PRESIDENT. Without objection, the bill will be passed over.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that the Senate return to the consideration of Calendar No. 669, S. 2118.

The VICE PRESIDENT. Without objection, the Senate will resume the consideration of the bill.

The question is on agreeing to the committee amendment.

The amendment was agreed to.

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

The title was amended, so as to read: "A bill to amend sections 9 and 37 of the Shipping Act, 1916, and subsection O of the Ship Mortgage Act, 1920."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 686), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill, S. 2118, is to facilitate the sale of bonds issued under a trust indenture in connection with a mortgage on a vessel.

LEGISLATIVE BACKGROUND

The bill, S. 2118, was introduced by request on June 10, 1965. The purpose of the legislation is to meet certain problems created by a recent U.S. court of appeals decision, *Chemical Bank New York Trust Company* v. *The Steamship Westhampton*, that could affect trust indentures and bond financing on American-flag vessels.

Hearings were held on the bill on June 23, July 15, and July 23 by the Subcommittee on Merchant Marine and Fisheries. The legislation as introduced was supported by the Maritime Administration, the Committee of American Steamship Lines, the American President Lines, and several trust companies including the Chemical Bank New York Trust Co., which is a party in the *Westhampton* case. The trustees of Seatrade Corp., also a party in the *Westhampton* case, supported the bill if amended to save certain rights in litigation on the date of enactment. The Seafarers International Union opposed the bill as introduced on the grounds that it would nullify the *Westhampton* decision and would enable aliens to acquire control of American-flag vessels through the trust indenture mortgage device. The bill has been amended by the committee to meet these objections.

SUMMARY OF LEGISLATION

The policy of the United States has been to encourage low-interest rates in financing the construction and reconstruction of U.S.-flag merchant vessels and, at the same time, to prohibit foreign control over the American merchant marine fleet. The purpose of this bill, as amended, is the same.

The legislation, as amended by the committee, provides (1) that bonds secured by a mortgage on a vessel to a trustee may be sold to noncitizens (corporations other than those defined as a citizen of the United States by sec. 2 of the Shipping Act, 1916) if the trustee is approved by the Secretary of Commerce under standards specified in the bill; (2) that any trustee approved by the Secretary of Commerce shall not operate the mortgaged vessel without approval by the Secretary of Commerce; (3) that any sale of a bond to a noncitizen in violation of the amendment is void; (4) that such bonds held by noncitizens and sold before the effective date of the act or within 1 year thereafter are valid if the trustee within 1 year is approved by the Secretary under standards provided in the bill; and (5) that such bonds whose validity is in litigation on the date of enactment of the act are not affected by the enactment of the legislation.

SUMMARY OF PRESENT LAW

The United States has encouraged low-interest rates, flexibility, and certainty in financing the construction and reconstruction of U.S.-flag merchant vessels through the enactment of the Ship Mortgage Act, 1920, which provides for the recording of mortgages on vessels, establishes an order of priority among claims against the vessels, and affords ship mortgages certain preferences and by the enactment of title XI of the Merchant Marine Act, 1936, as amended, which was intended to make Government-insured title XI bonds fully negotiable reaching the broadest possible market.

On the other hand, the United States has attempted to prohibit foreign control of the American merchant marine fleet through enactment of certain sections of the Shipping Act, 1916. Section 9 of the Shipping Act, 1916, provides that it is unlawful, without the approval of the Secretary of Commerce to sell, mortgage, or transfer to any person not a citizen of the United States, any vessel or interest therein owned by a citizen of the United States and documented under the laws of the United States. Section 37 of the act provides that during a national emergency declared by the President, it is unlawful without the prior approval of the Secretary of Commerce, to sell, mortgage, or transfer to a person not a citizen of the United States any vessel owned by a citizen of the United States or documented under the laws of the United States, or any interest therein, or any shipyard, or any interest therein. The Ship Mortgage Act, 1920, relates to sections 9 and 37 of the Shipping Act, 1916, in that subsection O(d) provides that no rights under a mortgage of a vessel of the United States shall be assigned to any person not a citizen of the United States without the approval of the Secretary of Commerce.

GENERAL STATEMENT

One of the least costly and most widely used methods of financing available to shipowners in the United States is the issuance under a trust indenture of bonds secured by a mortgage on the vessel. These ship mortgage bonds are issued either with Government mortgage insurance under title XI of the Merchant Marine Act, 1936, or by private financing without Government insurance involved. In recent years, the Maritime Administration has taken the position that under sections 9 and 37 of the shipping Act, 1916, ship mortgage bonds, whether insured or uninsured, could be sold to noncitizens without approval by the Secretary of Commerce. On April 5 of this year, the U.S. Court of Appeals for the Fourth Circuit in the *Westhampton* case held that the sale of such bonds to noncitizens without approval was unlawful. A petition for reargument has since been filed. The court specifically held that the mortgage in question was not entitled to a preferred status under the Ship Mortgage Act, 1920, because the bond which was secured by the mortgage was an interest in a ship under section 37 of the Shipping Act, 1916, and the issuance of the bond to the noncitizen had not been approved by the Secretary of Commerce.

Even though the bond in the *Westhampton* case was not insured under title XI, the decision created uncertainty in the future marketability of both insured and uninsured bonds secured by a mortgage on a vessel and has raised certain questions regarding the validity of outstanding bonds previously issued or transferred in reliance upon the publicly announced interpretation of the Shipping Act, 1916, by the Maritime Administration.

Testimony given during the committee hearing indicated that the *Westhampton* decision by the court of appeals seriously discourages an important segment of the present bond market from being interested in future bond issues secured by ship mortgages and would thereby cause a significant increase in the interest to be paid on the bonds. The problem is complicated by the fact that there is no express statutory criteria in section 2 of the Shipping Act, 1916, for determining the citizenship of organizations such as pension funds, mutual insurance companies, certain savings banks, States of the United States, or State agencies. In the past these organizations have been major purchasers of ship mortgage bonds. Under the *Westhampton* decision, these organizations would feel it necessary in the future to obtain approval by the Secretary of Commerce before investing in these bonds. One witness testified that any such need would destroy public bond issues as a method of ship financing because it would tend to make such bonds unacceptable to the public.

It was estimated that the uncertainty occasioned by the decision issued might well cause a significant increase in the interest to be paid on the bonds and therefore the cost of financing new ship construction and reconstruction in the United States. Several authorities in bond financing agreed that the court decision would have the effect of increasing the cost of financing new ship construction through the issuance of ship mortgage bonds by one-half of 1 percent at a minimum. Likewise, it was pointed out that as in other financial transactions, if there is any uncertainty the lender or his counsel will either say "No" or demand an interest rate commensurate with what he believes to be the risk.

The legislation would meet the problem of uncertainty in future financing by providing a means by which these bonds could be sold in the future with certainty to noncitizens without permitting foreign control of the vessel. The legislation permits the bonds to be sold to noncitizens upon the approval by the Secretary of a U.S. citizen trustee who meets certain minimum standards. These standards are based upon the criteria for trustees presently required by the Maritime Administration under trust indentures in title XI bond financings and upon the qualification of trustees under the Federal Trust Indenture Act of 1939. Once the trustee is approved, any issuance, transfer, or assignment of a bond under the trust indenture to a noncitizen is valid. If the trustee ceases to be qualified the Secretary will formally disapprove the trustee and thereafter the transfer of the bonds will be unlawful. This approval will give certainty to the validity of any bond issuance or transfer and thereby assure the future marketability of ship mortgage bonds.

During the hearing testimony was given warning of the danger of foreign control over the U.S. merchant marine by the sale of bonds to noncitizens under the trust indenture device. Witnesses pointed out that unless amended the bill as introduced might permit foreign control of the American merchant marine by either selling U.S.-flag vessels financed under a trust indenture to a foreign interest or permitting alien control by operation of a vessel through the trust indenture.

In response to these statements, the General Counsel of the Maritime Administration testified that sections 9 and 37 of the Shipping Act, 1916, specifically prohibits any U.S.-flag vessel being transferred to an alien or noncitizen without the approval of the Maritime Administration and that therefore there was no problem regarding the loss of U.S.-flag vessels when bonds are held by noncitizens. The General Counsel added that the statutory prohibition in its present form is sufficiently broad and applies to the sale of any U.S. vessel regardless of whether any bond financing is involved or whether noncitizens hold any bonds and is effectively enforced by the Justice Department in foreign courts as well as U.S. courts.

In regard to the question of foreign control by operation of U.S.-flag vessels by the trustee under the trust indenture or mortgage, the General Counsel of the Maritime Administration testified that this was improbable because any bondholder advised by a responsible trustee will upon default direct the trustee to foreclose and sell the ship through court action to a U.S. citizen as required by law rather than operate the vessel and endanger his security or subject the trustee and/or bondholders to the penal provisions of the 1916 act. To avoid any possible problem, however, the legislation, as amended by the committee, requires that any U.S. citizen trustee approved by the Secretary obtain the approval of the Secretary of Commerce before it may operate the vessel.

The legislation also provides that if there is a future sale of a bond to a noncitizen contrary to the provisions of the bill, the effect of the sale is that the transaction is void and the noncitizen receives nothing. The unlawful transaction therefore has no effect on the validity of the bond itself or any other bonds held under the mortgage or trust agreement. In addition to the new

penalty provision, the general penalty provisions on sections 9 and 37 of the Shipping Act, 1916, relating to the sale of bonds or operation of the vessel in violation of the act remain in full force and effect.

The second major difficulty created by the *Westhampton* case involves the validity of ship mortgage bonds presently held by noncitizens. Approximately $300 million in bonds issued under trust indentures pursuant to title XI are outstanding and ship mortgages bonds substantially exceeding that sum have been issued under trust indentures and are outstanding without Government insurance. Many of these bonds are presently held by mutual insurance companies, State institutions, pension funds, and other public or private entities that are not clearly specified within the definition of a citizen under section 2 of the Shipping Act, 1916. The bonds are frequently bearer bonds, freely transferable, and therefore the precise number in noncitizen hands is undeterminable. Section 4 of the bill retroactively validates all trust or mortgage indenture ship mortgage bonds held by noncitizens to the extent that their validity might be subject to question under the *Westhampton* decision. The provision adds, however, that the trustee must be approved by the Secretary of Commerce under standards provided by the act within 1 year after the effective date of the bill.

The committee was advised that in addition to the *Westhampton* case, there are at present two other U.S.-flag ships, the *Bridgehampton* and *Easthampton,* in litigation in foreign courts involving the question raised in the *Westhampton* case. The General Counsel of the Maritime Administration advised that the foreign courts as a matter of comity will apply American law and that the Justice Department will intervene in such proceedings. The committee determined that rights in all litigation pending at the time the legislation is passed should not be retroactively affected by the act. The parties have voluntarily submitted their dispute under the present law by invoking the jurisdiction of the judicial branch. The committee concluded that Congress should not intercede while the court has the matter under consideration and the last sentence of section 4 so provides. If the court determines finally that the bonds in litigation are valid, there will be no need under section 4 or any other provision of the act for the bondholders to take any steps under the act to validate the bonds. Section 4 provides that neither the validation nor the requirement that the trustee be approved within 1 year applies to bonds in litigation. However, other sections of the act will require the trustee to be approved before any transfer or assignment of these or any other ship mortgage bonds to a noncitizen subsequent to the enactment of the act may be lawfully accomplished.

Witnesses appearing before the committee were apprehensive over the effect of the legislation on the *Westhampton* case. The committee is therefore concerned that any congressional action could be misunderstood as an attempt to influence the final outcome of the litigation by interpreting the meaning of sections 9 and 37 of the Shipping Act, 1916. It should be made clear that any such argument would be misleading the court.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

LIMITATION OF STATEMENTS DURING CONSIDERATION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to limit to 3 minutes statements made during the transaction of routine morning business.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the item "Limitation on salaries and expenses, Social Security Administration," for the fiscal year 1966, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

PROPOSED DISPOSITION OF CERTAIN GRAPHITE FROM THE NATIONAL STOCKPILE

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize the disposal of graphite from the national stockpile and the supplemental stockpile (with accompanying papers); to the Committee on Armed Services.

AUTHORITY FOR DEPUTY ADMINISTRATOR OF VETERANS' AFFAIRS TO ASSUME DUTIES OF ADMINISTRATOR UNDER CERTAIN CONDITIONS

A letter from the Administrator of Veterans Affairs, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to provide statutory authority for the Deputy Administrator of Veterans' Affairs to assume the duties of Administrator during the absence or disability of the Administrator, or during a vacancy in that office, and for other purposes (with accompanying papers); to the Committee on Finance.

EXTENSION OF STATUTORY BURIAL ALLOWANCE TO CERTAIN VETERANS

A letter from the Administrator of Veterans' Affairs, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to extend the statutory burial allowance to certain veterans whose deaths occur as a result of a service-connected disability (with an accompanying paper); to the Committee on Finance.

REPORT ON PALMETTO BEND PROJECT, TEXAS

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Palmetto Bend Project, Texas (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT ON DETERMINATIONS RELATING TO PARTIAL DEFERMENT OF CONSTRUCTION PAYMENTS DUE FROM THE EL PASO COUNTY WATER IMPROVEMENT DISTRICT NO. 1, RIO GRANDE PROJECT, NEW MEXICO-TEXAS

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on determinations relating to partial deferment of the March 1 and September 1, 1966, construction payments due the United States from the El Paso County Water Improvement District No. 1, Rio Grande Project, New Mexico-Texas; to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

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

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

ADJUSTMENT OF STATUS OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting adjustment of status of certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORTS CONCERNING VISA PETITIONS APPROVED ACCORDING FIRST PREFERENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports concerning visa petitions which had been approved according the beneficiaries of such petitions first preference classification (with accompanying papers); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. MONRONEY and Mr. CARLSON members of the committee on the part of the Senate.

PETITION

The VICE PRESIDENT laid before the Senate the petition of Andrejo Badmuts, a citizen of the State of Connecticut, relating to the liberation of the Baltic States, which was referred to the Committee on Foreign Relations.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

H.R. 3684. An act for the relief of Maj. Alexander F. Berol, U.S. Army, retired (Rept. No. 692); and

H.R. 8351. An act for the relief of Clarence L. Aiu and others (Rept. No. 693).

By Mr. LONG of Missouri, from the Committee on the Judiciary, without amendment:

H.R. 8218. An act for the relief of Walter K. Willis (Rept. No. 695).

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

H.R. 1892. An act for the relief of M. Sgt. Richard G. Smith, U.S. Air Force, retired (Rept. No. 694).

By Mr. ERVIN, from the Committee on the Judiciary, without amendment:

H.R. 9854. An act for the relief of A. T. Leary (Rept. No. 691).

By Mr. DODD, from the Committee on the Judiciary, without amendment:

H.R. 1384. An act for the relief of Theodore Zissu (Rept. No. 696).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

James M. Nabrit, Jr., of the District of Columbia, to be a Deputy Representative of the United States of America in the Security Council of the United Nations; and

John A. Gronouski, of Wisconsin, to be Ambassador Extraordinary and Plenipotentiary to Poland.

By Mr. EASTLAND, from the Committee on the Judiciary:

Sidney O. Smith, Jr., of Georgia, to be U.S. district judge for the northern district of Georgia; and

George M. Stuart, of Alabama, to be U.S. marshal for the southern district of Alabama.

By Mr. DIRKSEN, from the Committee on the Judiciary:

Richard E. Eagleton, of Illinois, to be U.S. attorney for the southern district of Illinois.

By Mr. CHURCH, from the Committee on Foreign Relations:

Vienna Convention on Diplomatic Relations, together with the optional protocol concerning the compulsory settlement of disputes, signed at Vienna on April 18, 1961 (Executive H, 88th Cong., 1st sess.); (Ex. Rept. No. 6).

BILLS INTRODUCED

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

By Mr. TALMADGE:

S. 2500. A bill for the relief of James A. Todd, Jr.; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. CLARK, Mrs. NEUBERGER, and Mr. HART):

S. 2501. A bill to provide for a separate session of Congress each year for the consideration of appropriation bills, to establish the calendar year as the fiscal year of the Government, and for other purposes; to the Committee on Rules and Administration.

By Mr. RUSSELL of South Carolina:

S. 2502. A bill to authorize the conveyance of all right, title, and interest of the United States reserved or retained in certain lands heretofore conveyed to the city of Georgetown, S.C.; to the Committee on Armed Services.

By Mr. MONDALE:

S. 2503. A bill for the relief of Lorenzo D. Williams; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 2504. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Duwamish Tribe of Indians in Indian Claims Commission docket No. 109, and for other purposes;

S. 2505. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Quileute Tribe of Indians, including the Hoh Tribe, and for other purposes; and

S. 2506. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Nooksack Tribe of Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mrs. NEUBERGER:

S. 2507. A bill to authorize the Secretary of the Interior to conduct a program of research regarding overhead electric transmission lines and the effect of such lines upon the health and welfare of citizens, community planning and zoning, real estate values and tax revenues, and the natural beauty of our country; and

S. 2508. A bill to authorize the Secretary of the Interior to conduct a program of research and development to encourage the use of underground transmission of electrical power and to undertake projects to evaluate and demonstrate the economical and technical feasibility of such transmissions; to the Committee on Commerce.

(See the remarks of Mrs. NEUBERGER when she introduced the above bill, which appear under a separate heading.)

DISTRIBUTION OF CERTAIN INDIAN JUDGMENT FUNDS

Mr. JACKSON. Mr. President, I send to the desk, for appropriate reference, three bills providing for the distribution of judgment funds awarded by the Indian Claims Commission to the Duwamish, the Quileute-Hoh, and the Nooksack Tribes in the State of Washington.

I ask unanimous consent that the text of the letters from the Assistant Secretary of the Interior, dated August 10 and August 26, 1965, explaining the need for these measures, together with the text of the bills themselves, be printed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). The bills will be received and appropriately referred; and, without objection, the bills and letters will be printed in the RECORD.

The bill (S. 2504) to provide for the disposition of funds appropriated to pay a judgment in favor of the Duwamish Tribe of Indians in Indian Claims Commission docket No. 109, and for other purposes, introduced by Mr. JACKSON, by request, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall prepare a roll of all persons who meet the following requirements for eligibility: (a) They were born on or prior to and living on date of this Act, and (b) They are descendents of members of the Duwamish Tribe as it existed in 1855. Applications for enrollment must be filed with the Area Director of the Bureau of Indian Affairs, Portland, Oreg., on forms prescribed for that purpose. The determination of the Secretary regarding the utilization of available rolls or records and the eligibility for enrollment of an applicant shall be final.

SEC. 2. After the deduction of attorney fees, litigation expenses, the costs of roll preparation, and such sums as may be required to distribute individual shares, the funds, including interest, remaining to the credit of the Duwamish Tribe, which were appropriated by the Act of June 9, 1964 (78 Stat. 213), shall be distributed in equal shares to those persons whose names appear on the roll prepared in accordance with Section 1 of this Act.

SEC. 3. The Secretary shall distribute a share payable to a living enrollee directly to such enrollee or in such manner as is deemed by the Secretary to be in the enrollee's best interest. The Secretary shall distribute the per capita share of a deceased enrollee to his heirs or legatees upon proof of death and inheritance satisfactory to the Secretary whose findings upon such proof shall be final and conclusive. Sums payable to enrollees or their heirs or legatees who are less than 21 years of age or who are under a legal disability shall be paid to the persons whom the Secretary determines will best protect their interests. Proportional shares of heirs or legatees amounting to $5 or less shall not be distributed, and shall escheat to the United States. In the event that the sum of money reserved by the Secretary to pay the costs of distributing the individual shares exceeds the amount actually necessary to accomplish this purpose, such funds shall also escheat to the United States.

SEC. 4. The funds distributed under the provisions of this Act shall not be subject to Federal or State income taxes.

SEC. 5. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

The letter accompanying Senate bill 2504 is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., August 10, 1965.

Hon. HUBERT HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill "To provide for the disposition of funds appropriated by pay a judgment in favor of the Duwamish Tribe of Indians in Indian Claims Commission docket No. 109, and for other purposes."

We recommend that the bill be referred to the appropriate committees for consideration and that it be enacted.

Funds were appropriated by the act of June 9, 1964 (78 Stat. 213), to cover the sum of $62,000 awarded the Duwamish Tribe in settlement of a judgment of the Indian Claims Commission in docket No. 109, for inadequate compensation for lands in Washington State and for valuable resources acquired by the United States from said Indians by the treaty of January 22, 1855 (12 Stat. 927). The judgment funds are credited to the account of this group and draw interest at 4 percent per annum.

The Duwamish Indians belong to the Salishan linguistic family. The group originally inhabited the east coast of the Puget Sound area in central Washington State. Although the Duwamish were assigned by the treaty of 1855 to the Port Madison Reservation, few apparently settled there. A number of Duwamish moved to and were alloted on the Port Madison, Muckleshoot, Lummi, Swinomish and Tulalip reservations where they have continued to live as members of these groups. Four of the reservations with which Duwamish Indians became affiliated are engaged in reservation programs which involve the development of tribally owned lands, tidelands, fishing resources, native arts and crafts and other industrial opportunities. An indeterminate number of Duwamish Indians have never affiliated with any recognized reservation group. The population of the Duwamish is thus widely scattered throughout the Northwest and many have intermarried with the Canadian Salish.

An organization entitled "The Duwamish Tribal Organization of the Duwamish American Indians" presently exists, and a written constitution was drawn up on February 6, 1925. However, this organization has not been approved by the Secretary of the Interior and therefore we are not bound by its enrollment criteria. The organization has no official tribal headquarters and no reservation lands or tribal assets. This organization was formed for the principal purpose of prosecuting claims against the United States. It has also been concerned with maintaining the identity of the Duwamish Indians.

The proposed bill authorizes the Secretary of the Interior to prepare a roll of all descendants of members of the Duwamish Tribe as it existed in 1855. Of the rolls on file at the Western Washington Agency, Roblin's 1919 Schedule of Unenrolled Indians and agency allotment and census records appear to be the best sources available. However, the bill provides that other official

proof of Duwamish ancestry, if approved by the Secretary, will be acceptable.

We have examined the possibility of programing; however, since we are not dealing with a tribal group but with scattered descendants having no land base or natural resources, such use of judgment moneys would not be feasible. The proposed bill provides that the Secretary shall distribute per capita shares of living enrollees directly to such enrollees and gives authority to the Secretary to develop procedures for the disposition of the shares of minors or persons under legal disability. Since there is no presently existing tribal entity, the proportional shares of heirs and legatees amounting to $5 or less will escheat to the United States. The proposed bill also provides that in the event that the sum of money reserved by the Secretary to pay the costs of distributing the individual shares exceeds the amounts actually necessary to accomplish this purpose, the money remaining shall also escheat to the United States.

The Bureau of the Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the administration's program.

Sincerely yours,

HARRY R. ANDERSON,
Assistant Secretary of the Interior.

Duwamish (Docket No. 109) judgment fund—Balance as of Jan. 4, 1965

Net award, 14X7049 awards of Indian Claims Commission, Duwamish Tribe of Indians	$62,000.00
Attorney fees	6,200.00
Attorney expenses	1,565.77
Interest through Dec. 31, 1964 (not yet credited) 14X7549 interest and accruals on interest, awards of Indian Claims Commission, Duwamish Tribe of Indians	0
Balance as of Jan. 4, 1965	54,234.23

The bill (S. 2505) to provide for the disposition of funds appropriated to pay a judgment in favor of the Quileute Tribe of Indians, including the Hoh Tribe, and for other purposes, introduced by Mr. JACKSON, by request, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the unexpended balance of funds on deposit in the Treasury of the United States to the credit of the Quileute and Hoh Tribes that were appropriated by the Act of January 6, 1964 (77 Stat. 857), to pay a judgment by the Indian Claims Commission in docket No. 155, and the interest thereon, after payment of attorney fees and expenses, shall be divided on the basis of tribal base membership rolls for the respective groups after approval of such rolls by the Secretary of the Interior, and the funds so divided, including the interest thereon, may be advanced or expended for any purpose that is authorized by the respective tribal governing bodies and approved by the Secretary of the Interior: *Provided,* That until the Hoh Indians develop a formal organization with a recognized governing body, their share of the judgment funds, and any other Hoh tribal funds, may be expended by the Secretary for the benefit of the Hoh Reservation and the Hoh tribal members.

SEC. 2. The Secretary of the Interior shall prepare base membership rolls for the Quileute and Hoh Tribes. No person shall be eligible to have his name placed on either membership roll who at the same time is a member of any other tribe, and no person shall be permitted to be enrolled in both the Quileute and Hoh Tribes: *Provided,* That persons eligible for enrollment or already enrolled with other tribes may relinquish that membership through filing a formal statement of relinquishment with the Secretary according to rules and regulations which he may prescribe.

SEC. 3. When preparing a Quileute tribal base roll, the Secretary shall employ the criteria in article II of the approved Constitution and Bylaws of the Quileute Tribe of the Quileute Reservation, except that, in the absence of the 1935 census referred to in article II, section 1(a) of the Constitution and Bylaws, the Secretary, with the assistance of the govening body of the Quileute Tribe, shall construct a base roll from pertinent records, including other census data, of the same period. No person shall be eligible to have his name placed thereon if born after December 31, 1940. Upon approval of such base roll by the Secretary and the Quileute tribal governing body, it shall henceforth serve as the Quileute base roll for all purposes, the provisions of article II, section 1(a) notwithstanding.

SEC. 4. When preparing a Hoh tribal base roll, the Secretary shall include only the names of applicants who demonstrate that (1) their names or the names of lineal ancestors from whom they are descended appear on the Census of the Hoh Indians of Neah Bay Agency, Washington, June 30, 1894, and (2) they were domiciled on the Hoh Reservation on the date of this Act. Upon approval by the Secretary, such roll shall henceforth serve as the Hoh base roll for all purposes.

SEC. 5. Upon completion of a Hoh base roll in accordance with section 4 of this Act, the Secretary shall assist the Hoh Indians in developing a tribal organizational document and shall call an election for the purpose of voting on the adoption of such document.

SEC. 6. The Secretary is authorized to advance or expend, as provided in section 1 of this Act, the Hoh tribal funds now on deposit, or hereafter placed on deposit, in the Treasury of the United States under the following symbols and titles:

14X7235—Proceeds of Labor, Hoh Indians, Washington

14X7735—Interest and Accruals on Interest, Proceeds of Labor, Hoh Indians, Washington

SEC. 7. Any part of the funds that may be distributed to individual members of the Quileute and Hoh Tribes under the provisions of this Act shall not be subject to Federal or State income taxes.

SEC. 8. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

The letter accompanying Senate bill 2505 is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., August 10, 1965.

HON. HUBERT HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Quileute Tribe of Indians, including the Hoh Tribe, and for other purposes.

We recommend that the bill be referred to the appropriate committee for consideration and that it be enacted.

Funds were appropriated by the act of January 6, 1964 (77 Stat. 857), to pay a judgment for $112,152.60 awarded the Quileute Tribe of Indians, including the Hoh Tribe, by the Indian Claims Commission in docket No. 155 for inadequate compensation for lands in Washington State, and for valuable resources acquired by the United States from said Indians by the treaty of July 1, 1855 (12 Stat. 971), ratified March 8, 1859. These judgment funds are credited to the account of this group and draw interest at 4 percent per annum.

The proposed bill authorizes the governing bodies of the Quileute and Hoh Tribes to decide how their respective shares of the award will be expended, subject to the approval of the Secretary of the Interior.

The Quileute Tribe is organized under a constitution and bylaws approved November 11, 1936, under the provisions of the act of June 18, 1934 (48 Stat. 984). The Quileute constitution provides for a basic membership roll of all persons of Indian blood whose names appear on the official census roll of the tribe as of April 1, 1935. However, we have determined that no official Quileute Reservation census was made in 1935.

A basic membership roll can be reconstructed for the Quileute Tribe through use of the 1938 Quileute census and the 1934, 1937, and 1940 Quinaielt censuses. Inasmuch as it is necessary to determine membership in order to determine which persons are eligible to participate in reservation programing, or in a possible per capita distribution, the proposed bill provides for the establishment of a base roll for the Quileute Tribe.

Originally, Hoh was a fishing site for the Quileute Indians. Since the Treaty of July 1, 1855, however, the Federal Government has dealt with the group of people in that area (at the mouth of the Hoh River) as a separate entity. By Executive order dated September 11, 1893, the Hoh Reservation was established for "Hoh Indians not now residing upon any reservation." There are in existence a number of separate Hoh rolls which in fact predate the establishment of the reservation. These, however, are composed primarily of Indian names. We regard the Census of the Hoh Indians of Neah Bay Agency, Washington, taken on June 30, 1894, 1 year after the establishment of the reservation, as representative of the Hoh Indians who were then still maintaining a fishing village at what had become the reservation site. The majority of the present reservation group, which consists of a few families, can trace their ancestry to the 1894 roll.

The Hoh Indians voted in 1935 to accept the Indian Reorganization Act but have taken no action to organize under it and have never developed an approved organization or membership criteria. The proposed bill provides criteria for establishing a base roll for the Hoh Tribe through the use of the 1894 census roll and by requiring applicants to demonstrate that they are domiciled on the Hoh Reservation. In the opinion of this Department, other Hoh descendants affiliated with the Quileute, Quinaielt and other tribes elsewhere, will benefit from judgment awards and other resources as members of those tribes and should not be permitted to share in the present award. The Hoh Reservation consists of only 443 acres and those few families now on the reservation, consisting of 30 to 40 people, are for the most part longtime residents and are the only people interested in reservation affairs.

Until approved rolls are developed for both the Quileute and Hoh Tribes, the proportional share of each tribal group cannot be determined. Therefore, the proposed bill provides that the judgment award in docket No. 155 be divided on the basis of tribal membership rolls. The division can be accomplished when the Secretary, through his rules and regulations, determines that the rolls are adequate to effect an equitable division.

Both the Quileute and the Hoh Indians were allotted on the Quinaielt Reservation, and have been carried on some Quinaielt census rolls. The proposed bill, therefore, provides that eligible persons will need to relinquish membership elsewhere in order to have their names placed on either the Quileute or Hoh membership rolls. Those persons eligible for enrollment or already en-

rolled with other tribes may relinquish that membership through filing a formal statement of relinquishment with the Secretary according to his rules and regulations.

There is presently on deposit in the United States Treasury and in a commercial bank, to the credit of the Hoh Indians, an unexpended balance of $236,944.27, including accrued interest, representing the proceeds of timber sold on the reservation in the early 1950's. The proposed bill also provides for Hoh tribal governing body, subject to the approval of the Secretary of the Interior, to decide how these funds will be expended. Pending establishment of a Hoh tribal organization, the bill provides for the expenditure of both judgment funds and timber funds by the Secretary of the Interior for the benefit of the Hoh Reservation and the Hoh tribal members.

The Quileute Tribal Council has proposed tribal programing, in consultation with the Bureau of Indian Affairs, for the use of the Quileute share of the judgment funds. Projects to be undertaken through use of the funds include the construction, furnishing, and maintenance of a large, well-equipped community building in the town of LaPush on the Quileute Reservation, and improvement of the town's water system in cooperation with the U.S. Public Health Service. The great majority of the Quileute people live in LaPush, the only settlement on the reservation. Projects for the Hoh Reservation have not yet been proposed but there is need for community facilities and family development plans.

For both tribes, the proposed bill permits a per capita payment; however, in neither case do we envisage a per capital payment due to the need for extensive programing on both reservations and the relatively small amount of the award.

The Bureau of the Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the administration's program.

Sincerely yours,

HARRY R. ANDERSON,
Assistant Secretary of the Interior.

Quileute and Hoh Tribes of Indians (Docket No. 155) judgment fund, and other Hoh tribal funds representing proceeds of timber sold on the reservation—Balance as of January 29, 1965

Net award, 14X7114 awards of Indian Claims Commission, Quileute and Hoh Tribes of Indians	$112,152.60
Attorney fees	11,215.26
Attorney expenses	0
14X7614 interest and accruals on interest, awards of Indian Claims Commission, Quileute and Hoh Tribes of Indians, interest through June 30, 1964	1,850.82
Balance as of January 29, 1965	102,788.16
Other Hob tribal funds representing proceeds of timber sold on the reservation, 14X7235 proceeds of labor, Hoh Indians, Washington	180,568.61
14X7735 interest and accruals on interest proceeds of labor, Hoh Indians, Washington	3,223.15
Subtotal, funds in U.S. Treasury as of January 29, 1965	183,791.76
Interest deposited in commercial bank	53,152.51
Total balance of trust funds belonging to Hoh Indians as of January 29, 1965	236,944.27

The bill (S. 2506) to provide for the disposition of funds appropriated to pay a judgment in favor of the Nooksack Tribe of Indians, and for other purposes, introduced by Mr. JACKSON, by request, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall prepare a roll of all persons who meet the following requirements for eligibility: (a) They were born on or prior to and were living on the date of this Act, and (b) They are descendants of members of the Nooksack Tribe as it existed in 1855. Applications for enrollment must be filed with the Area Director of the Bureau of Indian Affairs, Portland, Oregon, on forms prescribed for that purpose. The determination of the Secretary regarding the utilization of available rolls or records and the eligibility for enrollment of an applicant shall be final.

SEC. 2. After the deduction of attorney fees, litigation expenses, the costs of roll preparation, and such sums as may be required to distribute individual shares, the funds, including interest, remaining to the credit of the Nooksack Tribe, which were appropriated by the Act of April 30, 1965 (P.L. 89–16), shall be distributed in equal shares to those persons whose names appear on the roll prepared in accordance with section 1 of this Act.

SEC. 3. The Secretary shall distribute a share payable to a living enrollee directly to such enrollee or in such manner as is deemed by the Secretary to be in the enrollee's best interest. The Secretary shall distribute the per capita share of a deceased enrollee to his heirs or legatees upon proof of death and inheritance satisfactory to the Secretary whose findings upon such proof shall be final and conclusive. Sums payable to enrollees or their heirs or legatees who are less than 21 years of age or who are under a legal disability shall be paid to the persons whom the Secretary determines will best protect their interests. Proportional shares of heirs or legatees amounting to $5 or less shall not be distributed and shall remain to the credit of the Nooksack Tribe. Any sum of money remaining to the credit of the Nooksack Tribe as a result of this judgment, three years after the date of this Act, shall escheat to the United States and shall be deposited in the Treasury of the United States in miscellaneous receipts.

SEC. 4. The funds distributed under the provisions of this Act shall not be subject to Federal or State income taxes.

SEC. 5. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

The letter accompanying Senate bill 2506 is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., August 26, 1965.

Hon. HUBERT HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill "To provide for the disposition of funds appropriate to pay a judgment in favor of the Nooksack Tribe of Indians, and for other purposes."

We recommend that the bill be referred to the appropriate committee for consideration and that it be enacted.

Funds were appropriated by the act of April 30, 1965 (Public Law 89–16), to cover a net award of $49,383.50 granted to the Nooksack Tribe of Indians by the Indian Claims Commission in docket No. 46. These judgment funds are credited to the account of this group and draw interest at 4 percent per annum.

The judgment was for inadequate compensation for lands in Washington and for valuable resources taken by the United States under the Point Elliott Treaty of January 22, 1855 (12 Stat. 927). Although the Nooksack Indians were not a direct party to this treaty, the Federal Government, by virtue of the Point Elliott Treaty, extinguished rights of occupancy to those lands held by the Nooksacks. Thereafter, these lands were treated as public lands and were disposed of by the Federal Government.

At present, some Nooksack descendants have a loosely knit organization which was formed primarily to maintain the identity of the group and to prosecute claims against the United States. Membership in the organization is open to all descendants of Nooksack Indians and to any other American Indian descendants whom the organization elects to membership. This organization has not been approved by the Secretary of the Interior.

The Nooksacks have no reservation, tribal land, or tribal resources. Some Nooksacks are living on public domain allotments located in Whatcom County near Everson, Wash. There has been a great deal of intermarriage with other Puget Sound and Canadian Indians.

The proposed bill authorizes the Secretary of the Interior to prepare a roll of all descendants of members of the Nooksack Tribe as it existed in 1855. Of the rolls on file at the Western Washington Agency, Roblin's 1919 schedule of unenrolled Indians and Agency allotment and census records appear to be the best sources available. The proposed bill, however, does not limit an applicant to either of the above cited sources; other proof of Nooksack ancestry may be utilized.

We have examined the possibility of programing. Since we are not dealing with a tribal group, but are dealing with scattered descendants having no group land base or natural resources, such use of the judgment moneys would not be feasible. The proposed bill, therefore, provides for a per capita distribution. Payments may be made directly to living enrollees, but the Secretary may develop procedures for the disposition of the shares of minors or persons under legal disability.

Any residue funds after payment is completed shall escheat to the United States. The residue fund should be very small due to the fact that an up-to-date roll of living persons is to be used. It is our opinion that nothing else is practical under the circumstances.

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

Sincerely yours,

HARRY R. ANDERSON,
Assistant Secretary of the Interior.

Nooksack Tribe (Docket No. 46) judgment fund—Balance as of June 30, 1965

Gross award	$52,383.50
Less offsets	—3,000.00
Net award (14X7097 awards of Indian Claims Commission, Nooksack Tribe of Indians)	49,383.50
Less attorneys' fees	—4,938.35
Less attorneys' expenses	—1,375.08
Total principal judgment fund (subject to legislation)	43,070.07
Interest earned since appropriation not yet credited (14X7597, interest above fund)	----------

Nooksack Tribe (Docket No. 46) judgment fund—Balance as of June 30, 1965—Con.	
Other tribal accounts in U.S. Treasury	
Grand total as of June 30, 1965	$43,070.07

UNDERGROUND TRANSMISSION LINES

Mrs. NEUBERGER. Mr. President, I send to the desk two bills, which are companion bills to those introduced in the House of Representatives by Representative OTTINGER, of New York.

Mr. OTTINGER has been an active leader in conservation and preservation of natural resources.

In the message on natural beauty of February 8, President Johnson singled out the problem of overhead power lines as one of the threats to the beauty of the Nation requiring most urgent attention.

In many sections of the country citizens are protesting the defacement and devaluation that results from the inexorable progress of towers and lines. Nor can it be disputed that electrical power produced by plants at or near the point of use will no longer meet the need. It is becoming necessary to tap cheaper and more abundant supplies farther and farther from the point of use. This is essential to our continued growth and no citizen would have it otherwise.

However, there are conflicting needs of equal urgency.

These needs were eloquently summed up by the President in the introduction of his February message. He said:

> For centuries Americans have drawn strength and inspiration from the beauty of our country. It would be a neglectful generation indeed, indifferent alike to the judgment of history and the command of principle, which failed to preserve and extend such a heritage for its descendants.
>
> Yet the storm of modern change is threatening to blight and diminish in a few decades what has been cherished and protected for generations.
>
> A growing population is swallowing up areas of natural beauty with its demands for living space, and is placing an increased demand on our overburdened areas of recreation and pleasure.

To deal with this challenge the President called for a new conservation, which goes beyond the classic conservation of protection and development. He envisaged this as concerning itself not with the preservations of nature alone but with the total relation between man and the world around him. Its goals: the preservation and enhancement of man's opportunity to be in contact with nature and beauty.

There is probably no more dramatic confrontation between this new conservation and our expanding technology than that posed by the high voltage powerlines.

The problem we are facing here is more than just a simple question of beauty versus power. It is an issue of the utmost economic importance to communities through which power corridors will pass.

More than 300,000 miles of overhead transmission lines cut across the open spaces through the towns and villages of America. These lines have already destroyed about 7 million acres. In some settled communities evaluation has shown that a power corridor has devalued as much as 300 acres for every mile of powerline.

It is not mere chance that the battles between citizens and overhead powerlines are occurring in Woodside, Calif.; Westchester County, N.Y.; Baltimore County, Md.; and Chester County, Pa.

These are the choice suburban residential sites around the giant metropolitan areas. Nor will these be last battles. As the demand for power grows, these communities and hundreds of others will be threatened with defacement by new lines.

The Federal Power Commission has estimated that existing transmission will treble by 1980. This means close to 1 million miles of high voltage lines that could consume about 20 million acres of our Nation's land—nearly twice as much as is presently preserved in our entire national parks system.

Of course, these figures are estimates. In fact, so little real concern has been shown over this problem by the industry and by responsible Government officials that even today there is no reliable source of information and statistics.

To deal with this lack of information, my first bill directs the Secretary of the Interior to undertake a program immediately to compile data about the extent of the overhead transmission line problem. It instructs him to find out how many miles of line there are, how many acres of land are consumed in power corridors, and how many communities are effected—and to what extent. Beyond that, it directs the Secretary to compile the necessary information to project the impact of future transmission lines on our Nation.

Another area about which we know shockingly little is the cost of overhead wires.

Utility companies and Government agencies, when dealing with transmission line problems, have always compared the costs of underground with those of overhead construction. They have never taken into account the very real economic costs that overhead transmission lines inflict on the communities through which they pass. The first bill provides for measurement of these local costs so that they may be weighed in the balance of future transmission line decisions.

Esthetics is good economics. The first of the bills that I have introduced would develop some objective standards to measure the value of scenic beauty to communities.

The power industry itself is obviously not prepared to act on its own. Private power companies, insulated from competition by a blanket of Federal and State regulation, have spent far too little on research to date.

In 1962, according to Federal Power Commission figures, the private utility companies spent a total of $30 million on all research projects. This represented about 1.5 percent of the companies' net income of over $2 billion. Most of this was devoted to nuclear projects. Only $4 million, two-tenths of 1 percent of net revenue, went into all other forms of research, including underground power.

The tendency to treat transmission problems as the poor cousin of the power industry is reflected in a breakdown of industry costs. Today, less than 14 cents out of the utility construction dollar is spent on transmission facilities. By comparison, the industry spends 47 cents of its construction dollar on generation facilities and 39 cents on distribution facilities.

Public welfare demands that this lag be overcome with larger expenditures in research and development as well as construction.

My second bill directs the Secretary of the Interior to enter into research and demonstration projects to develop the technical and economic feasibility of underground transmission. Working with the 21,000 miles of overhead transmission facilities under his jurisdiction and in cooperative projects with the 1,000 public and cooperative utilities, the Secretary will undertake the experimental and demonstration projects in actual installation of underground facilities.

Ten years ago the utilities were fighting efforts to make them put distribution lines underground. They reported that such installations cost 10 times as much as overhead lines and were uneconomic.

In this case they lacked the Federal protection and, under pressure from local zoning ordinances, they quickly learned cost-saving techniques. Today, these utilities boast that they have reduced the cost ratio to less than 1½ to 1 and they vie with each other in praise of their efforts at beautification.

The same can be accomplished for transmission lines.

My bill calls for the expenditure of $150 million on this project over the period of 10 years—average of $15 million a year.

Experience has shown us the folly of "penny wise, pound foolish" spending on important national programs such as this. When the Federal Highway Act was passed in 1950, there were many who urged that it include additional appropriations for cleaning up, restoring and beautifying our highways. They were not heeded. In this session of Congress we are asked to spend about $90 million a year to correct what could have been prevented by modest expenditures 15 years ago. When will we learn to act in time?

Overhead transmission lines pose a problem that deserves forceful and immediate action by the Federal Government. With increasing frequency American citizens are turning to the Federal Government—to administration officials, to the Federal courts and to Congress—for help in defending their homes and property against defacement and devaluation.

Can they be anything but disillusioned and discouraged to find that the Government that speaks of natural beauty,

that calls for action, is unwilling or unable to act?

In February, President Johnson said:

I am hopeful that we can summon such a national effort. For we have not chosen to have an ugly America. We have been careless, and often neglectful. But now that the danger is clear and the hour is late this people can place themselves in the path of a tide of blight which is often irreversible and always destructive.

Mr. President, I ask unanimous consent that the bills may be printed in the RECORD and held at the desk until September 15 for additional cosponsors.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills will be printed in the RECORD and held at the desk, as requested by the Senator from Oregon.

The bills, introduced by Mrs. NEUBERGER, were received, read twice by their titles, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2507. A bill to authorize the Secretary of the Interior to conduct a program of research regarding overhead electric transmission lines and the effect of such lines upon the health and welfare of citizens, community planning and zoning, real estate values and tax revenues, and the natural beauty of our country:

S. 2507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That overhead electrical transmission lines are a source of danger to the lives, health, and property of citizens; such lines damage scenic assets, disrupt community planning efforts, destroy public confidence in zoning, and reduce property values and real estate revenues; and the rapid growth of such lines, which generally are a part of or otherwise affect interstate commerce, poses a problem of the utmost urgency to the Nation.

SEC. 2. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") shall undertake a program of research to determine the extent of the economic and other damage that has resulted and will result from overhead transmission lines in the United States, giving particular consideration to the impact of such lines upon scenic assets, zoning and planning and public confidence therein, property values, real estate revenues, and the natural beauty of the Nation, and such other factors as he deems relevant.

(b) In connection with the program under subsection (a), the Secretary shall—

(1) conduct such research as may be necessary to develop objective standards for measuring the economic values of scenic assets, particularly in regard to land values, tax revenues, recreational potential, and the health and welfare of citizens; and

(2) gather such information as may be necessary to project the extent of future construction of overhead transmission lines.

SEC. 3. For the purposes of this Act, the Secretary is authorized—

(1) to engage or contract with engineers, scientists, and such other personnel as may be considered necessary, and with educational institutions, scientific organizations, and industrial or engineering firms deemed suitable, to carry out any part of the research or other related work; and

(2) to cooperate with the Federal Power Commission, the Atomic Energy Commission, the Department of Commerce, and any other Federal, State, or municipal department, agency, or instrumentality, and with any private person, firm, educational institution, or other organization.

SEC. 4. The Secretary shall submit to the President and the Congress within six months after the date of the enactment of this Act a report on the research program under this Act, together with such recommendations for legislative and other action as he deems appropriate, and shall make such report available to the public at cost.

SEC. 5. There are authorized to be appropriated such sums, not in excess of $200,000, as may be necessary to carry out this Act.

S. 2508. A bill to authorize the Secretary of the Interior to conduct a program of research and development to encourage the use of underground transmission of electrical power and to undertake projects to evaluate and demonstrate the economical and technical feasibility of such transmissions:

S. 2508

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Underground Power Transmission Act of 1965".

SEC. 2. The Congress finds and declares that the growing number of high-tension powerlines and towers supplying electrical power to meet the ever-increasing demands of our technological society results in economic damage and loss to property owners; that these powerlines and towers are destroying precious reserves of open space; that they are unnecessarily defacing scenic beauty, and marring public parks and historical and religious shrines; that they are weakening local zoning and planning efforts and needlessly reducing property values and local real estate revenues, and are a source of grave and continuing danger to the lives and safety of citizens; and that they generally are a part of or otherwise affect interstate commerce. It is therefore of the greatest importance that economically and technically feasible methods be developed to transmit electrical power by underground or other suitable means not requiring the installation of towers and the defacement of property, and it is the purpose of this Act to assist in the development of such methods.

SEC. 3. The Secretary of the Interior (hereinafter referred to as the "Secretary") shall undertake research programs to develop economically and technically feasible methods of transmitting power underground or by such other means as would accomplish the purpose of this Act. In carrying out this section the Secretary is authorized—

(1) to conduct research, technical development work, and engineering studies to determine optimum design and conditions of operation, and the most economical methods of construction and operation;

(2) to acquire, by purchase, license, lease, or donation, such processes, technical data, inventions, patent applications, patents, licenses, land and interests in land, facilities, and other property or rights as are required for the purpose of this Act;

(3) to engage, or contract with engineers, scientists, and such other personnel as may be considered necessary, and educational institutions, scientific organizations, and industrial or engineering firms deemed suitable, to carry out any part of the research or other related work, and to the extent appropriate to correlate and coordinate their efforts; and

(4) to cooperate with any other Federal, State, or municipal department, agency, or instrumentality, and with any private person, firm, educational institution, or other organization, in effectuating the purpose of this Act.

SEC. 4. The Secretary shall also undertake projects to ascertain and demonstrate the reliability, safety, and engineering and economic feasibility and potential of underground transmission of power. In carrying out this section the Secretary is authorized—

(1) to provide for the construction, operation, and maintenance of underground transmission facilities by the Department of the Interior to demonstrate and evaluate programs and techniques in furtherance of the purpose of this Act;

(2) to enter into contracts with public, private, or cooperative power producers for the construction, operation, and maintenance of demonstration facilities, with the requirement that each contractor compile complete records as required by the Secretary and make such records available to the Secretary upon demand; and

(3) to dispose of demonstration facilities which are no longer needed for the purposes of this Act and are surplus to the needs of the Federal Government, in such manner as will promote the purpose of this Act. The terms of any such disposal shall provide for a fair return on the Federal investment, and preference shall be given to units of State and local government and nonprofit and cooperative power companies.

SEC. 5. In carrying out the provisions of this Act, the Secretary is further authorized—

(1) to make grants and enter into contracts or cooperative agreements with public or private agencies or organizations, and with individuals;

(2) to accept and use donations of funds, property, and personal services or facilities;

(3) to accept financial and other assistance from any State or public agency in connection with the purposes of this Act, and any funds so provided shall be available for expenditure as if they had been specifically appropriated;

(4) to acquire lands or interests in lands by donation, acquisition with donated funds, devise, or exchange for acquired land or public lands under his jurisdiction which he finds suitable for disposition; and

(5) to issue such regulations as he deems necessary with respect to the administration of land, facilities, or projects under his jurisdiction in furtherance of the purpose of this Act.

SEC. 6. The Secretary shall retain sole authority for the direction of programs and projects undertaken under, or in any way supported by or financed under, the provisions of this Act.

SEC. 7. All information and data resulting from programs and projects described in section 6 shall be made available to the public, and access by the public to demonstration facilities under the jurisdiction of the Secretary shall be assured during all phases of construction and operation, subject to such reasonable restrictions as to time and place as the Secretary may require or approve.

SEC. 8. The Secretary shall make a report to the President and the Congress at the beginning of each regular session of Congress on the programs, projects, and other activities undertaken or instituted by him under the provisions of this Act. In these reports the Secretary shall recommend such further legislation regarding research, demonstration, or standards of operation as he deems necessary to achieve the purpose of this Act.

SEC. 9. The authority granted the Secretary under this Act shall terminate on July 31, 1975.

SEC. 10. There are authorized to be appropriated such sums, not in excess of $150,000,000, as may be necessary to carry out this Act.

PRINTING OF REVIEW OF REPORTS ON ST. FRANCIS RIVER DRAINAGE DISTRICT NO. 7, POINSETT COUNTY, ARK. (S. DOC. NO. 57)

Mr. MCNAMARA. Mr. President, I present a letter from the Secretary of the

Army, transmitting a report dated August 31, 1965, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the reports on St. Francis River, Drainage District No. 7 of Poinsett County, Ark., requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

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

FOOD AND AGRICULTURE ACT OF 1965—AMENDMENTS

AMENDMENT NO. 432

Mr. TALMADGE. Mr. President, for myself, and for the distinguished junior Senator from North Carolina [Mr. JORDAN], the distinguished junior Senator from South Carolina [Mr. RUSSELL], the distinguished junior Senator from Alabama [Mr. SPARKMAN], and the distinguished senior Senator from Alabama [Mr. HILL], I send to the desk an amendment to the bill (H.R. 9811), the Food and Agriculture Act of 1965. I ask unanimous consent that the amendment be printed in the RECORD, together with a brief explanation of the amendment; and further ask unanimous consent that it be ordered printed and lie on the desk.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment and explanation will be printed in the RECORD.

The amendment (No. 432) is as follows:

Strike out all of pages 104, 105, and 106 and insert in lieu thereof the following:

"TITLE VI—COTTON

"SEC. 601. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(1) Section 348 of the Act is amended by adding the following new sentences at the end thereof: 'The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to the 1966 crop cotton.'

"(2) Section 346 of the Act is amended by adding at the end thereof a new subsection as follows:

"'(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968 and 1969 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by planting an acreage not exceeding 50 per centum in excess of the farm acreage allotment established under section 344, all cotton of such crop produced on the farm may be marketed free of any penalty under this section: *Provided*, That the foregoing shall be applicable only to farms for which farm acreage allotments were established for 1965 and the farm operator for the current year was the operator of such farm for 1965 or has acquired such farm by inheritance from the operator since such year. The operator of any farm who elects to forgo price support for any such year under this subsection shall not be eligible for price support on cotton on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county and farm acreage allotments.'

"(3) Section 350 of the Act is amended, effective with the 1966 crop, to read as follows:

"'SEC. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966, 1967, 1968 and 1969 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage: *Provided*, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment: *Provided further*, That, except for farms the acreage allotments of which are reduced under section 344(m), the farm domestic allotment shall not be less than the smaller of 10 acres or the farm acreage allotment established under section 344. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced.'

"SEC. 602. Section 103 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection at the end thereof:

"'(d)(1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

"'(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans at such level, not exceeding 90 per centum of the estimated average world market price for Middling one-inch upland cotton at average location in the United States for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act:

"'*Provided*, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

"'(3) The Secretary shall provide additional price support for each such crop through payments in cash or in kind to cooperators at a rate not less than 9 cents per pound: *Provided*, That the total of the national average loan rate for any crop under paragraph (2) and the rate at which payments are made under this paragraph shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton. Such payments shall be made on the quantity of cotton determined by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment: *Provided*, That any such farm planting not less than 90 per centum of such domestic acreage allotment shall be deemed to have planted the entire amount of such allotment.

"'(4) The Secretary shall also make price support payments in cash or in kind in addition to the payments authorized in paragraph (3) to cooperators who reduce their cotton acreage by diverting a portion of their cotton acreage allotment from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That the total reduction in such cotton acreage shall not exceed 35 per centum of the farm acreage allotment, but no reduction shall be required on small farms with minimum domestic acreage allotments under section 350 of the Agricultural Adjustment Act of 1938, as amended. The rate of payment under this paragraph shall be such rate as the Secretary determines to be fair and reasonable, but shall not be less than 50 per centum of the national average loan rate established under paragraph (2). Such payment shall be made on a quantity of cotton determined by multiplying the acreage diverted from the production of cotton by the projected farm yield, except that payment to small farms with minimum domestic acreage allotments under section 350 of the Agricultural Adjustment Act of 1938, as amended, shall be made on a quantity of cotton determined by multiplying an acreage equal to 35 per centum of such farm domestic acreage allotment by the projected farm yield.

"'(5) The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance and the balance of such payments shall be made as soon after determination of performance as practicable.

"'(6) Where the farm operator elects to participate in the acreage reduction program authorized in this subsection and no acreage is planted to cotton on the farm, price support payments for the 1966 crop shall be made at a rate equal to 50 per centum of the national average loan rate established under paragraph (2) on the quantity of cotton determined by multiplying 15 per centum of the farm acreage allotment by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided*, That for the 1967, 1968 and 1969 crops such rate of payment shall be that which the Secretary determines to be comparable to the rate of payment under paragraph (4). The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county and farm acreage allotments and farm bases.

"'(7) Payments in kind under this subsection shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary at a value per pound equal to not less than the current loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

"'(8) Payments under paragraphs (4) and (6) of this subsection shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for payments under paragraph (4) or the acreage with respect to which payments are made under paragraph (6), as the case may be, and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided*, That the Secretary may permit all or any part of such reduced acreage to be devoted to the

production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"'(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under paragraph (4) of this subsection shall, for purposes of establishing future State, county and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m)(2) thereof.

"'(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis in price support under this subsection.

"'(11) Notwithstanding any other provision of this section, the amount of price-support payments made with respect to any farm may be adjusted for failure to comply fully with the terms and conditions of the program formulated pursuant to this subsection.

"'(12) Notwithstanding any other provision of this Act, if as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of combined price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

"'(13) An acreage on a farm in any such year which the Secretary finds was not planted to cotton because of drought, flood or other natural disaster shall be deemed to be planted to cotton for purposes of payments under this subsection if such acreage is not subsequently devoted to any price supported crop in such year.

"'(14) Section 408(b) of the Agricultural Act of 1949, as amended, is amended by changing the period at the end of the first sentence thereof to a colon and adding the following: "*Provided*, That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton for the 1966 crop does not exceed 90 per centum of such farm acreage allotment and for the 1967, 1968 and 1969 crops does not exceed such percentage, not less than 90 or more than 100 per centum, of such farm acreage allotment as the Secretary may determine, except that this proviso shall not apply to any farm receiving a minimum farm domestic acreage allotment under section 350 of the Agricultural Adjustment Act of 1938, as amended."

"'(15) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments) shall also apply to payments under this subsection.'

"SEC. 603. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended, by adding the following new subparagraphs to paragraph (13) of subsection (b):

"'(L) "Projected National, State, and county yields" for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively, during each of the five calendar years immediately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

"'(M) "Projected farm yield" for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph.'

"SEC. 604. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970 (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly.'"

The explanation presented by Mr. TALMADGE is as follows:

SUMMARY OF PROPOSED SUBSTITUTE TITLE VI IN H.R. 9811 AS REPORTED BY THE SENATE COMMITTEE

The substitute would provide a cotton program as follows:

1. Four-year cotton program applicable to the 1966, 1967, 1968, and 1969 crops.

2. Price support loans to cooperators at not more than 90 percent of the estimated average world market price for Middling 1-inch cotton at average location in the United States for the marketing year for such crop, as determined by the Secretary of Agriculture. For the 1966 crop the loan rate would be 21 cents.

3. Minimum national acreage allotment of 16 million acres. State, county, and farm acreage allotments established as under current procedures. Present provisions of law regarding release and reapportionment of farm allotments would continue in effect.

4. A farm domestic allotment percentage would be established on the basis of the estimated domestic consumption of cotton and the total allotted acreage. This percentage, which cannot be less than 65 percent, would be applied to the farm acreage allotment (after release and reapportionment) but farms not releasing acreage allotments would receive a minimum domestic allotment of the smaller of 10 acres or the farm acreage allotment.

5. Additional price support above that provided by the basic loan level would be available to cooperators, i.e., producer on whose farm the acreage planted to cotton does not exceed 90 percent (90 to 100 percent for 1967, 1968, and 1969) of the farm acreage allotment. Payments, in cash or in kind, would be made to cooperators on the basis of participation (i) in the cotton acreage reduction program and (ii) in diversion from the production of cotton to approved conservation practices. Payment at the rate of not less than 9 cents per pound would be made on the acreage planted up to the farm domestic acreage allotment. This payment, when added to the national average loan rate, would provide price support at not less than 65 percent of parity for cotton. Additional payments would be made to cooperators who divert an acreage up to 35 percent of the farm acreage allotment. This diversion payment would be at a rate not less than 50 percent of the loan rate for cotton and the amount of payment would depend upon the extent of diversion, as the amount would be determined by multiplying the rate of payment by the projected yield of the acres diverted. Small producers, i.e., those receiving minimum farm domestic acreage allotments of the smaller of 10 acres or the farm acreage allotment, would receive the diversion payment without being required to reduce their cotton plantings.

6. If no cotton is planted on the farm, payment would be authorized at a rate comparable to the diversion rate but would be 50 percent of the loan rate for the 1966 crop. The amount of payment would be figured on the quantity of cotton determined by multiplying the rate of payment by the projected farm yield on 15 percent of the farm acreage allotment.

7. For purposes of establishing future State, county and farm acreage allotments and farm bases, the full farm acreage allotment would be regarded as planted to cotton if the farm qualifies for payment, except that under item 6 only the acreage on which payment is made (15 percent of the farm acreage allotment) will be regarded as planted to cotton on the farm; however, further protection of history for such farm may be accomplished by releasing up to 85 percent of the farm acreage allotment.

8. Payments would be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments (15 percent in the case of a farm on which no cotton is planted) and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices during a base period. The Secretary could permit planting of designated minor crops.

9. Not to exceed 50 percent of the payment for a farm could be made to producers in advance of the determination of performance on the farm and the balance when performance is checked.

10. CCC would redeem payment-in-kind certificates for cotton valued at not less than the loan rate therefor and would be authorized to assist producers in the marketing of certificates. CCC would be required (a) to sell cotton for unrestricted use at the same prices as it sells cotton for export, but in no event at less than 110 percent of the loan rate, and (b) to sell or make available for unrestricted use at current market prices in each marketing year a quantity of cotton equal to the amount by which production is less than estimated domestic consumption and exports.

11. A farm operator could elect to forgo price support loans and payments for any crop year and plant cotton in excess of the farm acreage allotment by as much as 50 percent without incurring marketing quota

penalties. This election by the farm operator could be made only for a farm which received a 1965 farm acreage allotment and for which the farm operator for the current year was the operator in 1965 or is the heir of such operator. If an operator so elects to forgo price support on a farm, he would not be eligible for price support on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Excess acreage so planted would not be taken into account in establishing future State, county and farm acreage allotments.

12. To facilitate transition from the equalization payment program in effect through July 31, 1966, to the new program, the Secretary would be authorized to extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or to make payments on raw cotton from the 1965 or prior crops held by cotton handlers at the rate in effect on such date.

13. Any producer who was prevented from planting cotton because of flood, drought, or other natural disaster would be deemed to have planted cotton for payment purposes provided the acreage was not subsequently planted to any price supported crop for the year involved.

14. "Projected yields" per acre would be used as the basis for making payments. Generally, such yields would be higher than "normal yields" now in use. The projected yield for a farm would not, however, be less than the farm normal yield.

15. If for any year during the 4-year period the Secretary is unable to make payments as planned, he would be authorized to alter the program and carry out price support provisions through loans or by purchase and resale.

16. Payments earned by farmers could be assigned to persons from whom crop production loans are obtained.

AMENDMENTS NOS. 433 AND 434

Mr. CARLSON submitted two amendments, intended to be proposed by him, to House bill 9811, the Food and Agriculture Act of 1965, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 435

Mr. BASS submitted an amendment, intended to be proposed by him, to House bill 9811, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 436

Mr. JAVITS. Mr. President, on behalf of the Senator from Delaware [Mr. BOGGS], the Senator from Texas [Mr. TOWER], and myself, I submit an amendment, intended to be proposed by us, jointly, to House bill 9811, the Food and Agriculture Act of 1965. I ask unanimous consent that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 436) is as follows:

At the end of the bill add a new title as follows:

"TITLE VIII—ESTABLISHMENT OF COMMISSION ON UNITED STATES FOOD AND FIBER POLICY

"Declaration of policy and purpose

"SEC. 801. It is hereby declared to be the policy of the Congress to promote the effective utilization of the agricultural production of the United States so that (1) the markets for United States agricultural commodities, insofar as possible, will be competitive in the markets for such commodities in the world, (2) the present and future requirements for such agricultural commodities in the United States and the world can be fully met, (3) the interests of taxpayers and consumers may be fairly safeguarded, and (4) the producers of agricultural commodities in the United States will receive a return on their investment and labor commensurate with their contribution to the national welfare. It is further declared to be the policy of the Congress to promote programs recognizing the necessity for consumers in this country to be assured an adequate supply of agricultural commodities of the best possible quality and at the lowest possible prices. It is, therefore, the purpose of this title to provide for a study and investigation of the Federal laws and programs pertaining to agriculture with a view to revising and modernizing such laws and programs in order to achieve the policies stated above, and to provide for a better coordinated national food and fiber policy.

"Establishment of the Commission on United States Food and Fiber Policy

"SEC. 802. In order to achieve the purpose set forth in section 1 of this joint resolution, there is hereby established a bipartisan commission to be known as the Commission on United States Food and Fiber Policy (hereinafter referred to as the 'Commission').

"Membership of the Commission

"SEC. 803. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of twelve members as follows:

"(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life.

"(2) Four appointed by the President of the Senate, two from the Senate and two from private life.

"(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

"(b) POLITICAL AFFILIATION.—Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

"(c) VACANCIES.—Vacancies in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

"Organization of the commission

"SEC. 804. The Commission shall elect a Chairman and a Vice Chairman from among its members.

"Quorum

"SEC. 805. Seven members of the Commission shall constitute a quorum.

"Compensation of members of the Commission

"SEC. 806. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(b) MEMBERS FROM THE EXECUTIVE BRANCH.—Any member of the Commission who is in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary not exceeding $22,500; and he shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of the duties vested in the Commission.

"(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive not exceeding $75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"Staff of the Commission

"SEC. 807. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable in accordance with the provisions of the civil service laws and the Classification Act of 1949.

"Expenses of the Commission

"SEC. 808. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this joint resolution.

"Expiration of the Commission

"SEC. 809. Sixty days after the submission to Congress of the report provided for in section 10(b), the Commission shall cease to exist.

"Duties of the Commission

"SEC. 810. (a) INVESTIGATION.—The Commission shall make a comprehensive study and investigation of all Federal laws and programs pertaining to agriculture, including all matters relating to the food and fiber policies of the United States and the effect of such policies on all segments of our society, with a view to revising and modernizing such laws and programs to achieve the aims set forth in section 701 of this title. In carrying out such study and investigation the Commission shall consider such matters relating to agriculture as it deems necessary or appropriate, but shall specifically consider, with regard to the various agricultural commodities produced in the various regions of the United States, (1) effectiveness of price support and production controls, including acreage allotments and production and marketing quotas, which may be in effect for such commodities, (2) the future requirements of the United States and the world for such commodities, (3) suitable uses for land which may not be needed at the present time for the production of such commodities, but which may be needed for such purpose in the future, (4) methods for effectively coordinating domestic agricultural policies with the export opportunities for such commodities, (5) the effectiveness of our present policies in the use of food and fiber internationally and how such policies might be improved, (6) the problems of rural economic opportunity in the United States, (7) the national requirements for the stockpiling of agricultural commodities, (8) import and export policies of the United States with respect to food and fiber and the effect of such policies on the foreign policy of the United States, (9) methods of extending and expanding programs under the Agricultural Trade Development and Assistance Act of 1954, as amended, without adversely affecting commercial markets, and (10) the need for consolidating the activities of the United States Department of Agriculture with other Federal agencies on the development of rural resources. The Commission shall also give particular attention to the formulation of programs to facilitate the economic adjustment of agricultural producers who decide to transfer to other occupations. Such programs may include, but shall not be limited to, retraining programs, relocation allowances, assistance in obtaining alternative employment opportunities, early retirement, and provision for minimum compensation for land, dwellings, and equipment which such producers no longer want or need.

"(b) REPORT.—The Commission shall make a report of its findings and recommendations to the Congress on or before February 1, 1967, and may submit interim reports prior thereto.

"Powers of the Commission

"SEC. 811. (a)(1) HEARINGS.—The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpoenas may be issued under the signature of the Chairman or Vice Chairman, or any duly designated member, and may be served by any person designated by the Chairman, the Vice Chairman, or such member.

"(2) In case of contumacy or refusal to obey a subpoena issued under paragraph (1) of this subsection, any district court of the United States or the United States court of any possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is being carried on or within the jurisdiction of which the person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Attorney General of the United States shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee thereof, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

"(b) OFFICIAL DATA.—Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this title."

ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTIONS

Mr. MONTOYA. Mr. President, I ask unanimous consent that my name appear as a cosponsor on Senate Concurrent Resolution 46, Senate Concurrent Resolution 47, and Senate Concurrent Resolution 48.

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

ADDITIONAL COSPONSORS OF BILL, CONCURRENT RESOLUTION, AND RESOLUTION

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bill, concurrent resolution, and resolution:

Authority of August 31, 1965:

S. 2482. A bill to prohibit obstruction of the performance of duty by the Armed Forces by obstruction of the transportation of personnel or property thereof: Mr. SCOTT.

S. Res. 142. Resolution proposing a study to determine feasibility of utilizing trade credits issued by the International Monetary Fund to facilitate international trade: Mr. BAYH, Mr. HART, Mr. LONG of Missouri, and Mr. SCOTT.

Authority of September 2, 1965:

S. Con. Res. 57. Concurrent resolution to recognize the World Law Day: Mr. CANNON, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. DOMINICK, Mr. HART, Mr. INOUYE, Mr. LONG of Missouri, and Mr. MCCARTHY.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, September 8, 1965, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 53) to establish a tercentenary commission to commemorate the advent and history of Father Jacques Marquette in North America, and for other purposes.

"THE KINDLY CHARMER FROM VERMONT"—TRIBUTE TO SENATOR AIKEN

Mr. MANSFIELD. Mr. President, the Christian Science Monitor for Saturday, September 4, 1965, contains on its editorial page a brief article entitled "The Kindly Charmer From Vermont," written by Josephine Ripley.

In the course of the article—and it is really a splendid piece of newsmanship—Miss Ripley writes:

It was the birthday party for one of the Senate favorites. That quiet and genial man of few words, sound convictions, and unruffled good nature, Senator GEORGE D. AIKEN, Republican, of Vermont.

Some 70 Senators turned out for the occasion at the invitation of the party giver and hostess, Maine's Senator MARGARET CHASE SMITH.

I would assume that that puts Senator SMITH in a class by herself and deservedly so, because in getting in excess of 70 Senators, which is more than the leadership can get on the floor of the Senate most of the time, Senator SMITH showed not only how high she rates in this body but how persuasive as well.

It has been said on occasion that sometimes Senator AIKEN says on the floor of the Senate what Senator MANSFIELD, of Montana, thinks. That is not true. But I am delighted to have this opportunity to express on the Senate floor, on the basis of my own thinking and through the use of my own voice, my extremely high regard for a man whom I consider one of the outstanding Senators of this or any other generation, a man who has contributed much to the welfare of his State and country, a man who keeps his feet on the ground at all times, and a man whose counsel I cherish and value.

Mr. President, I ask unanimous consent to have this article printed in the RECORD, so that Miss Ripley's story will be given somewhat greater circulation.

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

[From the Christian Science Monitor, Sept. 4, 1965]

THE KINDLY CHARMER FROM VERMONT

A third party sprang briefly into being in the Senate the other day. In fact, it took over. Members of both parties bolted to it in a happy merger.

It was a birthday party for one of the Senate favorites. That quiet and genial man of few words, sound convictions and unruffled good nature, Senator GEORGE D. AIKEN, Republican, of Vermont.

Some 70 Senators turned out for the occasion at the invitation of the party-giver and hostess, Maine's Senator MARGARET CHASE SMITH.

Not only did the majority of the Senate join this special "third party" on August 20, but the topmost Democrat of them all, President Johnson, bolted too, for this occasion.

He decided that morning to join up. "Come along," he said to Mrs. Johnson in the casual fashion of a man whose wife is washing dishes with her apron on.

Anyway, it is reported that she quickly ran upstairs to change her dress. Lynda Bird came, too.

A Secret Service detail was rushed to the Capitol. The men were deployed on the main and second floors of the Senate side of the Capitol when I arrived.

Bewildered tourists were herded off. "You can't go to the second floor," they were told, as Secret Service men with outstretched arms fenced off the corridors.

I managed to squeeze by upon producing the typed invitation of Senator SMITH, apparently a then familiar admission ticket.

Upstairs the corridor leading to the walnut-paneled room where the luncheon birthday party was held was jammed with Members of the Senate.

It might have been a quorum call, with Senators stumbling over each other to answer it.

There was Senator DIRKSEN, his generally unruly curls carefully smoothed into place on this occasion. There was Senate Majority Leader MIKE MANSFIELD with a happy grin.

Senator MANSFIELD and Senator AIKEN are longtime breakfast pals in the Senate restaurant. It is a well-known bipartisan friendship.

A newspaper columnist noting these breakfast get-togethers recently wrote that Senator AIKEN often says on the floor of the Senate what Senator MANSFIELD is thinking in private.

Senator AIKEN took note of this when he rose to speak. He was interested to learn that he was Senator MANSFIELD's spokesman, he said. "Senator MANSFIELD's speeches will be briefer from now on," he wisecracked.

All those sitting at the head table—Senate leaders of both parties—had a birthday wish of good will and friendship as they rose at Senator SMITH's invitation to "say a word."

Others present said it in song: "For he's a jolly good fellow * * * which nobody can deny, which nobody can deny." It was loud and strong. An unusual and touching tribute to a respected Member.

The President's arrival "for a bowl of soup," came at the end of the luncheon. The President, Mrs. Johnson, and Lynda Bird bore gifts—a set of presidential cuff links, two autographed books, an autographed color photograph of the President, an L. B. Johnson pen.

Senator AIKEN, whose shy enjoyment of the occasion was obvious, beamed. He couldn't resist a quip. "Glad to have this L.B.J. campaign pen," he cracked.

It nearly broke up the President who exploded with laughter.

It was that kind of a party, with good will and good humor a constant theme.

After it was over, Senator after Senator was heard to say they had never known anything like this before. "Why don't we do this kind of thing more often?" they asked as they went back to the Senate Chamber to take their seats—the Republicans on one side of the aisle, Democrats on the other.

The answer may be, there's only one Senator AIKEN. Few men in the Senate are as highly regarded, as beloved as the kindly charmer from Vermont.

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

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from California?

Mr. MANSFIELD. I am glad to yield to the acting minority leader.

Mr. KUCHEL. Mr. President, Senators will applaud the sentiments which have been expressed by the leader of the majority in the Senate.

I have often said, and now repeat, the No. 1 Senator of the U.S. Senate is the distinguished senior Senator from Vermont [Mr. AIKEN]. On this occasion, I hope that I may be permitted to call him "Uncle George."

He is genial, yes. He is kindly, yes. He is helpful, yes. He is able to express himself in phrase and sentence with clarity, yes. No words are wasted by the Republican Senate dean. On occasion, he has been most vigorous as the exigencies of the moment required.

GEORGE AIKEN graces the U.S. Senate.

I am most thankful that he sits on the Republican side of the aisle.

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

Mr. MANSFIELD. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I fully subscribe to what the Senator from California has just said. However, I wish that I could erase from my mind the initial contact I had with the Senator from Vermont when I was the Governor of Ohio and came to Washington to testify before a committee of the Senate over which the Senator from Vermont presided. With me was a union labor leader. Remember, I was the Governor. We came into the room and the Senator from Vermont went right by me—the Governor—and shook hands with the labor leader and said to him, "I am glad you are here, Mr. Governor."

I could not judge what was wrong; but, the next time I met the Senator from Vermont was when I went to the White House, shortly after I became a U.S. Senator. I was wearing my tuxedo or——

Mr. AIKEN. They were tails.

Mr. LAUSCHE. Yes, they were tails. So was the Senator from Vermont in tails.

Mr. MANSFIELD. The Senator from Ohio does not know the difference between a tuxedo and tails.

Mr. AIKEN. He does not know.

Mr. LAUSCHE. I have not had them on since.

To continue my story, I left the White House later and walked to the porch to hand my automobile ticket to the man who would get my car. I stood there waiting, when out came the Senator from Vermont and handed me his automobile ticket to get his automobile for him. [Laughter.]

Mr. President, the distinguished senior Senator from Vermont [Mr. AIKEN] is a worthy gentleman. I am glad that this colloquy will be placed in the RECORD. You are a great citizen and a great Senator.

Let me close by saying, "I forgive you, GEORGE." [Laughter.]

Mr. TALMADGE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am glad to yield to the Senator from Georgia.

Mr. TALMADGE. I desire to associate myself with the remarks of the distinguished majority leader, the distinguished acting minority leader, and the Senator from Ohio, regarding the devotion to duty and service in the Senate of the distinguished senior Senator from Vermont.

It has been my privilege to serve on the Committee on Agriculture and Forestry with the Senator from Vermont since I came to the Senate, and I therefore know of his devotion and dedication to duty.

The Senator from Vermont attends to his homework. He is a clear, articulate, and vigorous speaker.

His presence in the Senate makes it a better body.

Mr. CARLSON. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am happy to yield to the Senator from Kansas.

Mr. CARLSON. I associate myself with the remarks which have been made, first, by the majority leader, and then by other Members of the Senate on this happy occasion when we speak of the outstanding service of the Senator from Vermont and commend him for it.

The Senator from Vermont and I have been friends and associates for many years. We confer often on many matters dealing with agriculture. He is one of the outstanding agriculture leaders of the Nation. I have profited by his advice, not only on the subject of agriculture, but also concerning foreign relations, as I have the privilege to sit next to him on the Foreign Relations Committee. I therefore know that his advice is always sound and worthy of consideration—consideration I always give to what he tells me.

Therefore, Mr. President, it is a privilege to participate in this colloquy today.

Mr. AIKEN. Mr. President, will the Senator from Montana yield so that I may say a word in self-defense?

Mr. MANSFIELD. Reluctantly.

Mr. AIKEN. I am so nearly speechless at this time that I do not believe I could even tell the Senate what the majority leader is thinking. Of course, I will not give up trying.

In a way, I am glad that the Senator from Montana referred to the luncheon we had the other day, under the watchful eye, astute guidance, and loving friendship of the Senator from Maine [Mrs. SMITH]. Nor will I ever forget the distinguished visitors we entertained on that happy occasion. The President of the United States and his family were there. I am not likely to forget that the President took that occasion to say that he wished Congress to pass a certain bill, S. 1766, sponsored by 93 Senators.

At this point, we are waiting for the House to complete action on that bill.

I hope House Members will read the RECORD of today and refer back to what the President said at the luncheon on August 20. It would do the world a great deal of good if we could have early action on that little bit of legislation.

I thank the Senator from Montana for his gracious remarks concerning me.

Mr. MANSFIELD. Mr. President, what the distinguished senior Senator from Vermont, the ranking Republican Senator in the Senate, and in all other respects the ranking Senator, refers to, of course, is the bill which is sometimes called the Aiken water bill. It has 93 Senate signatures.

Mr. AIKEN. Sixty-three of them are Democrats.

Mr. MANSFIELD. I anticipate that there is a good possibility that the Senator from Vermont will receive good news tomorrow from the House Rules Committee.

Mr. AIKEN. I wish the House would try to beat us, so that they could pass that bill before we pass the agricultural bill—their bill—H.R. 9811. It would be wonderful if they could defeat us.

Mr. MANSFIELD. The Senator's bill is a simple one. The pending bill is not.

Mr. AIKEN. We could dispose of it quickly, if we did not get into too much discussion about it.

FOLLY OF INDISCRIMINATE U.S. MILITARY AID

Mr. GRUENING. Mr. President, I wish to commend President Johnson most highly for his prompt action in suspending military assistance to both India and Pakistan yesterday. I hope that such assistance will not be resumed until there has been adequate assurances by both parties that such arms as have been given to them will be used for the purposes for which they were given—resistance to Communist aggression.

For years now, two or three Senators have consistently been critical of the U.S. military assistance programs throughout the world.

In the tragic events of the last few days in India and Pakistan, U.S. weapons given to Pakistan to strengthen its ability to resist international Communist aggression are being used against weapons given to India for the same purpose. In many respects the United States talks grandly about our desire for peace, while at the same time the United States has become the indiscriminate purveyor of arms to innumerable trigger-happy nations of the free world.

Time and again we have pointed out that U.S. arms, theoretically given for internal security purposes, have been used by ruthless dictators to maintain themselves in power by cruelly suppressing the human rights and freedom of their own peoples.

Over 3 years ago—on August 2, 1962—in commenting on the use of U.S. donated Sherman tanks to crash through the gates of the Pzarro Palace to take President Manuel Prado y Ugarteche, of Peru, prisoner in the military coup there, I said:

> A reexamination of U.S. military assistance to Latin America is sorely overdue. None of the goals of the program have been achieved—not hemisphere defense, not standardization, not modernization, not a reduction in forces; not even that much-to-be desired byproduct, indoctrinization of the military in their role in a modern democracy. Instead, we have witnessed some tragic results.
>
> I am convinced that the evils of the military assistance program in Latin America far outweigh whatever benefits we hope to achieve when first the program was started.
>
> I call for an end to this unsuitable and fruitless venture.

U.S. arms have been given to Greece and Turkey ostensibly for the purpose of enabling each of them to resist aggression from the north—from Soviet Russia—only to see those very arms used by both sides in the fighting over Cyprus.

In addition, over the years, where we have not given arms away outright to nation after nation we have turned into arms salesmen under the misguided concept that, first, we were thereby helping the balance-of-payments problem, and, second, if the United States did not sell these weapons some other nation would.

Neither concept is valid.

The United States manufactures many things, other than arms, which could be sold abroad to aid our balance-of-payments problem.

Second, instead of the weak excuse that if we did not sell arms some other nation would, the United States should take the leadership in the international cessation of the armaments race. It may be difficult to bring about general disarmament throughout the world but at least we should stop the proliferation in the furnishing of arms to countries which themselves do not manufacture weapons.

This policy of indiscriminately giving or selling arms to foreign nations is not new. It is a policy which President Johnson has inherited from his predecessors. It is a policy however, which President Johnson should immediately reverse. His suspension of arms shipment to Pakistan and India is therefore most gratifying.

The amount of military assistance given to India and Pakistan over the years is a deep, dark military secret. It is classified and cannot be made public.

The public can be told that over the years we have given or loaned $5.1 billion to India and $2.6 billion to Pakistan. The public can be told that over the years we have given Turkey $2.5 billion in military assistance and $1.7 billion to Greece, but the public cannot be told whether Pakistan and India over the years have received in military aid from the United States $1 million, $100 million, $1 billion or $10 billion—or whatever the figure may be.

Pakistan—a member of the Southeast Asia Treaty Organization—has not sent any of those arms, or any of its armed forces trained with U.S. military assistance, to fight in Vietnam in keeping with its treaty obligations. Instead it is using those arms and those men to fight in India.

This is no time for the United States to assess the rights and wrongs of the armed conflict between India and Pakistan. President Johnson acted correctly and promptly in announcing that the United States is suspending—effective at once—any further military aid to both countries until an effective cease fire has been agreed upon by both sides and there has been adherence to that cease fire by withdrawal of troops.

In addition, it makes no sense at all for the United States to continue to supply both India and Pakistan with economic aid while they are both wasting their economic substances in military engagements. Economic aid to both countries should also be suspended until hostilities cease.

Both these countries should be told that they must choose—and choose at once—between economic development or military escapades.

It is bad enough that we have permitted the United States food for peace program to support, indirectly, President Nasser's war in Yemen.

But to support—directly or indirectly—a continued war between India and Pakistan would be intolerable.

TRIBUTE TO SENATOR HARRIS—ADDITIONAL COSPONSOR, S. 2231

Mr. RIBICOFF. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Oklahoma [Mr. HARRIS] be added as a cosponsor of S. 2231, the National Highway Traffic Safety Act of 1965.

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

Mr. RIBICOFF. Mr. President, the Senator from Oklahoma has been an extremely valuable member of my subcommittee which is now conducting a study of the Federal role in traffic safety. He also has contributed importantly to the subcommittee's work in developing legislation to create a new cabinet level Department of Housing and Urban Development which I understand will be signed into law by the President in the next few days. The Harris amendments emphasize the important role of private enterprise in the housing and urban development field and help make the bill a more meaningful document to guide future heads of the new department in administering the important programs within it.

Recognition is coming to the junior Senator from Oklahoma in other respects also. Recently he was named head of a Special Subcommittee on Government Research of the Committee on Government Operations. I ask unanimous consent that a statement by Chairman MCCLELLAN announcing the establishment of the new subcommittee be included in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, the junior Senator from Oklahoma has been presented with a symbolic gavel by the Senate Democratic pages for having presided 100 hours over the Senate this year. We all know what an effective Presiding Officer he is. It is a real privilege to be associated with Senator HARRIS, and I add my personal commendations to him and express appreciation for his excellent work.

EXHIBIT 1

STATEMENT BY SENATOR JOHN L. MCCLELLAN, CHAIRMAN, COMMITTEE ON GOVERNMENT OPERATIONS

Senator JOHN L. MCCLELLAN announced today that he has appointed a special Subcommittee on Government Research of the Committee on Government Operations, to be composed of Senators FRED R. HARRIS of Oklahoma, as chairman, MCCLELLAN, ABRAHAM RIBICOFF, JOSEPH M. MONTOYA, KARL E. MUNDT, and MILWARD L. SIMPSON.

The subcommittee will be authorized and directed to undertake intensive studies, including hearings as may be necessary, into the operations of research and development programs financed by departments and agencies of the Federal Government. The studies will include research in such fields as economics and social science, as well as basic science, research, and technology. Special emphasis will be placed on those programs now being carried out through contracts with higher educational institutions and private organizations, corporations, and individuals, to determine the need for the establishment of national research, development, and manpower policies and programs, in order to bring about Government-wide coordination and elimination of overlapping and duplication of scientific and research activities.

The subcommittee will be further directed to examine existing research information operations, the impact of Federal research and development programs on institutions of higher learning, and to recommend the establishment of programs to insure equitable distribution of research and development contracts among such institutions and other contractors.

The staff of the full Committee on Government Operations will be assigned to provide the necessary staff services to the subcommittee, and the subcommittee chairman will be authorized to appoint, without compensation, such technical advisers and consultants as may be required to attain the subcommittee's objectives. Should these studies indicate that legislative action may be required to develop an adequate and comprehensive program covering these operations, the subcommittee will be directed to submit appropriate recommendations to the Committee on Government Operations.

THE NEED TO CUT OFF U.S. AID TO INDIA AND PAKISTAN

Mr. CHURCH. Mr. President, all Americans share deep concern over the tragic war which is now taking place between India and Pakistan. We should support every effort, originating at the United Nations or from any other quarter, to bring about cessation of the hostilities. I know that President Johnson and his advisors are now considering inducements we might undertake toward this end.

The United States is deeply disturbed by this new war, because of the needless loss of life, because we regard both combatants as friends, and because these two nations—not Vietnam—are, in reality, the principal plugs against a Communist takeover in Asia. If these plugs are pulled, all of Asia may well go down the drain.

Americans are keenly distressed at the prospect that this war may be fought with American-supplied weapons, originally furnished both countries to defend themselves against possible Communist aggression. Although it is now too late to call back these arms, the President has certainly made the correct decision in suspending the further shipment of arms to India and Pakistan for the duration of this conflict.

Earlier this year, I sponsored an amendment to the foreign aid bill which would have held in check the military assistance program. My amendment was directed primarily against proposed

increases in military assistance to such countries as India and Pakistan. The amendment, vigorously opposed by the Administration at that time, was narrowly defeated on the floor of the Senate by a vote of 43 to 38. This tragic war between India and Pakistan, to which the United States has extended a total of some $12 billion in various forms of foreign aid, should, at the very least, force us to undertake a fundamental review of our continuing military assistance programs in many parts of the world.

It is my opinion, however, that we should not only cut off all military aid to India and Pakistan, but also all economic aid as well. We should make it clear that we will not allow American money to be used by either side, directly or indirectly, to finance or prolong this war. Not only would such an embargo serve as a forewarning to other nations now receiving large quantities of American aid, but it might also act as yet another lever to help induce the Indians and Pakistanis to bring their conflict to a close.

Although the problem of continued food shipments to these countries is more difficult to decide, because of the humanitarian considerations involved, our Government should immediately undertake a thorough study of this question to ascertain whether a cessation of such shipments would help promote an end to the war. Forthright action by the United States to cease military and economic aid to both these warring powers will, I am sure, meet with the full approval of the great majority of the American people. The fate of India and Pakistan, and the future security of all of Asia, may well rest upon an end to this tragic conflict at the earliest possible moment.

ALLEGIANCE OF THE PEOPLE IS ESSENTIAL TO VIET VICTORY

Mr. CHURCH. Mr. President, R. H. Shackford, one of America's most knowledgable writers about Vietnam, has written an excellent column entitled "It's a 'People's War': Allegiance of the People Is Essential to Viet Victory" upon the occasion of the appointment of Gen. Edward G. Lansdale as an adviser to Ambassador Henry Cabot Lodge.

I ask unanimous consent to have this article, as published in the Washington Daily News of August 19, printed in the RECORD.

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

IT'S A "PEOPLE'S WAR": ALLEGIANCE OF THE PEOPLE IS ESSENTIAL TO VIET VICTORY

(By R. H. Shackford)

Ambassador Henry Cabot Lodge has chosen as one of his principal advisers an unorthodox military man who is convinced that application of superior military force alone will never force the Communists in Vietnam to give up.

He is Air Force Maj. Gen. (retired) Edward G. Lansdale.

General Lansdale believes it is a "people's war"—not an ordinary one—and can be won only by gaining the allegiance of the people. And that, he says, cannot be done by guns alone.

He thinks air strikes, artillery, and big conventional military operations—especially if conducted without equally vigorous and effective civic, nonmilitary programs—will boomerang and drive people into the arms of the Vietcong.

VETERAN

General Lansdale is a veteran of antiguerrilla campaigns—first in the Philippines as confidante of the late President Ramon Magsaysay in the successful struggle against the Communist Huks, and in the 1950's as an adviser to the late Vietnamese President Ngo Dinh Diem in the unsuccessful guerrilla war against the Vietcong.

Mr. Lodge contends that the political-economic-social problems of Vietnam are equally as important as military problems. General Lansdale long has preached this theory but, in recent years, without much support from Vietnamese leaders or even some elements of the American military establishment.

"NO"

Late last year General Lansdale set forth his philosophy in an article in Foreign Affairs Quarterly titled "Vietnam: Do We Understand Revolution?" The article made it clear that General Lansdale feared the answer was, "No."

Much has changed in Vietnam since he wrote the article but he said today that his basic ideas remain unchanged about the nature of the struggle and the kinds of action needed to resolve it.

"The most urgent military need," he wrote at year's end, "is to make it the No. 1 priority for the military to protect and help the people. When the military opens fire at long range, whether by infantry weapons, artillery, or air strike, on a reported Vietcong concentration in a hamlet or village full of civilians, the Vietnamese officers who gave those orders and the American advisers who let them get away with it are helping defeat the cause of freedom. The civilian hatred of the military resulting from such actions is a powerful motive for joining the Vietcong.

"The U.S. military can give a major boost to the political effort simply by upgrading the importance they assign to military-civic action and to guiding the Vietnamese military into accepting it as a basic soldierly quality in this war, just as the Vietcong do.

"Civic action means more than giving economic help; it is an attitude of behavior, an extension of military courtesy, in which the soldier citizen becomes the brotherly protector of the civilian citizen. The Vietcong practice it, under severe penalties for misbehavior."

General Lansdale's article took a dim view of the way Americans generally proposed coping with the Vietnam problem—disengagement through international accommodation; identifying the struggle as war and making use of "our military proficiency to force the Communist regime in Hanoi to cease its adventure in the south"; continuing along the present course (as of the end of 1964) to smother and kill the Communist insurgency. He wrote:

"The anomaly in these reactions is that each falls short of understanding that the Communists have let loose a revolutionary idea in Vietnam and that it will not die by being ignored, bombed or smothered by us. Ideas do not die in such ways."

He suggested a fourth "reaction"—"To oppose the Communist idea with a better idea and to do so on the battleground itself, in a way that would permit the people, who are the main feature of that battleground, to make their own choice." In effect, the "anti-Communist" struggle must be converted into a "pro-people" campaign whose objective is to give the people what they want, rather than just defeat the other side.

General Lansdale thinks the United States cannot sit aloof from this kind of program for fear of interfering in internal Vietnamese affairs—that we must inculcate in the people the will and incentive to resist the Vietcong.

CHARLES BARTLETT ON THE ALLIANCE FOR PROGRESS TITLE

Mr. CHURCH. Mr. President, Charles Bartlett recently wrote an excellent column entitled "Alliance for Progress Enters New Era," which was published in the August 19 edition of the Washington Evening Star.

I ask unanimous consent to have this article printed in the RECORD.

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

[From the Evening Star, Washington (D.C.) Aug. 19, 1965]

(By Charles Bartlett)

ALLIANCE FOR PROGRESS ENTERS NEW ERA

The fourth anniversary of the signing of the Charter of Punta del Este is brightened by indications that an attempt will soon be made to restore the mystique of the Alliance for Progress.

The old mystique, which went into mothballs when Thomas Mann assumed command of Latin policy at the outset of President Johnson's administration, was a fervent, emotional commitment to the poor people and nations of the hemisphere. It was a clarion of urgency, eloquently proclaimed in the charter and reiterated many times by President Kennedy and his officials.

The distinctive aura that was purposefully wrapped about the program contributed significantly to its beginning and many eyebrows were raised when Mann undertook to lay it aside. A matter-of-fact diplomat who had been somewhat uneasy in the liberal ferment of the New Frontier, Mann was determined to operate a pragmatic, unromanticized version of the Alliance.

The mystique was acknowledged to have some weaknesses. It was fuzzy and it implied a response to Latin poverty that exceeded the resources allotted to the Alliance. Its revolutionary flavor, injected by the Kennedy people to stir action and hopes, had raised intimations of a class struggle. The glamour of the mystique attracted interest but it also attracted critics.

Mann has now left Latin affairs for larger spheres of State Department influence and his "cold turkey" phase of Alliance management is judged by most critics to have been a constructive interlude. He made the program duller but more stable and assured. He transformed the anguished soul searching of his agency into poise. He presided over a period in which the Latins learned their obligation to scrutinize their own shortcomings.

Mann's successors Jack Vaughn and David Bronheim, must contend, however, with a flatness that has crept into the Alliance, a deflation of the hope and zeal that marked its initial phase. The Alliance is a going concern and South America is producing growth rates that match the expectations of Punta del Este. But the program is losing its sparkle, its capacity to incite the Latins to new enthusiasms and exertions.

The aims of the Vaughn-Bronheim team and the exhortations of CIAP, the Inter-American panel that has called for redoubled efforts "to avoid the spread of a sense of frustration," now indicate the start of a third phase of the Alliance. This will be a new campaign to involve more Latins in the program.

The experiences to date have shown that the best means to this end is to create new

institutions that will enlist new talent and new forms of cooperation. The Alliance has slowly abandoned its initial insistence that all aid be channeled through existing governments. The trend will be accelerated by the deepening awareness that it is less useful to build buildings than it is to back people who have ideas and spark.

This lesson is emphasized by the contrast between the Kennedy housing project in Bogota, Colombia, and the People's Savings & Loan Association in Lima, Peru. The Bogota project produced some homes at considerable cost but it has not inspired any Latin imitators or local initiatives. It is a monument to the aid program and little more.

In contrast the Lima savings association, founded in 1961 by a dogged Maryknoll priest, Father Dan McLellan, has inspired the people themselves to found their own financial institution. Its resources, now almost $7 million, have underwritten the erection of about 2,900 homes already. The association's success has caused it to be widely imitated. Since the institution is run by its members its operations have uncovered able young people who will be potential leaders of the new Peru.

Pope John XXIII stressed the necessity of involving the people in his encyclical, which urged special efforts to see "that workers in underdeveloped areas are conscious of playing a key role in the promotion of their personal socioeconomic and cultural betterment. For it is a mark of good citizenship to shoulder a major share of the burden connected with one's own development."

The pressing need as Father McLellan explains it, is to fill the vacuum between the people on top and the people on the bottom. "We have good first teams in many of these countries but we have no depth," the priest maintains. "The way to fill the vacuum is to prevail upon the Latins to build their own institutions." This will be the aim of the new mystique.

STATEMENT BY SENATOR PROXMIRE ON BANK MERGER ACT

Mr. JAVITS. Mr. President, I call the attention of the Senate to a very important statement by the Senator from Wisconsin [Mr. PROXMIRE] on S. 1698 the so-called Bank Merger Act, passed on June 11 by the Senate and which was submitted to the House Committee on Banking and Currency. Opposition to the bill was expressed as well as expressions of strong support.

I ask unanimous consent that, for the benefit of Senators should this legislation return in the form of a conference report, this statement may be printed at this point in the RECORD.

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

STATEMENT BY SENATOR WILLIAM PROXMIRE ON S. 1698, A BILL TO AMEND THE BANK MERGER ACT, FOR PRESENTATION TO THE HOUSE COMMITTEE ON BANKING AND CURRENCY, AUGUST 31, 1965

I am here to support S. 1698 Senator ROBERTSON'S bill to amend the Bank Merger Act which, as revised by my amendment—the Proxmire amendment—the Senate Banking and Currency Committee adopted without dissent and the Senate passed without objection after the Hart amendment to eliminate the exemption for cases now pending in court had been defeated.

When this bill came before the Senate Banking Committee, I was, frankly, deeply concerned about it. It had been argued that the intent of the 1960 act was to clarify the responsibility of bank regulatory agencies to act on mergers with the advice but not with the veto of the Department of Justice.

Four of the 15 members of the Senate Banking Committee in 1959 felt strongly enough about that bill to file supplementary views at that time. I was one of those four Senators.

Let me read one paragraph from those views:

Previous bank merger legislation approved by this committee and passed by the Senate would have given the banking agencies discretionary authority to consult with the Attorney General. We agree with the testimony of the Department of Justice that the agencies should consult the Attorney General in every instance so that the enforcement of the statute shall be uniform and in line with the enforcement of the other antitrust laws. While we would have preferred to have given the Attorney General even more influence to stop mergers when he thought competition might be substantially lessened, the bill amended by the committee is a vast improvement over previous legislation which only permitted participation of the Department of Justice when desired by the banking agencies.

Those views were also signed by Senators DOUGLAS, CLARK, and MUSKIE. Now remember that was in 1959, and it was written in relation to the bill that became law the following year and became the Bank Merger Act of 1960.

So when the Department of Justice apparently went farther than that 1960 act seemed to provide, frankly I was pleased. The 1960 act had made some progress in bringing the Department of Justice into the act as an adviser in every case, I repeat in every case. Somehow their own initiative had carried them beyond that and brought them into direct action beyond our fondest hopes as expressed in those supplemental views.

So I was concerned about a 1965 bill which appeared to confine the Department of Justice to the advisory role set forth in the 1960 legislation.

It was in this context that I offered my amendment to keep the Justice Department in the Bank Merger Act from now in perpetuity. Needless to say, I think it represents a clear and decisive gain for those who believe in competition and vigorous antitrust action.

Frankly, I was astounded that the Attorney General suddenly but belatedly appeared to attack this bill. When the bill was pending in the Senate, he was invited and reinvited to appear before our committee. He had an observer present. I did my best in interrogating witnesses to bring out the importance of putting the Department of Justice squarely—by statute—in the act if it were possible. But there wasn't a word, no letter, not even a phone call of encouragement from the Justice Department.

My amendment keeps the Department of Justice in the business of stopping bank mergers that conflict with the antitrust laws in perpetuity—forever.

What is more, my amendment not only keeps the Justice Department in the ball game, it significantly improves the Department's position.

The amendment does this by preventing banks from merging while suits are pending. As a practical matter, it is sure that the Justice Department will lose cases precisely because banks have merged following a favorable initial court decision, but before the court acts on the Justice Department appeal.

A court confronted with the sure injury that unscrambling a merger is likely to impose on innocent borrowers, depositors, and stockholders may reluctantly acquiesce in the merger.

Since banks are permitted to go ahead with mergers now when antitrust cases are pending and, of course, do, this provision of the bill constitutes a clear and decisive gain for the antitrust action.

The desirability of this provision of my amendment has been strongly attacked by a financial writer, J. W. Livingston, on the ground that it makes it more difficult to merge banks than is now the case. I agree. My amendment was not designed to benefit banks, but to benefit the public. As the committee report states, we recognized this provision placed in the hands of the Justice Department a considerable measure of authority which would have to be used with care and discretion, since many banks might feel they have to abandon a merger at the mere threat of a suit by the Justice Department. The committee, therefore, called on the Justice Department to use this opportunity to hold up bank mergers with care and discretion.

And I am glad to say that the Attorney General, in his reply to my request for his comments on Mr. Livingston's suggestion to eliminate this provision of my amendment, stated that this provision provided a "significant advantage" over the present situation. Let me repeat the Attorney General writes me this provision of my amendment provides a "significant advantage." Those are Attorney General Katzenbach's words. I should like to ask that copies of the letters from the Chairman of the Federal Reserve Board and the Attorney General on this point be included in the record.

Now in return for this quid we give two very modest quos. First, we limit the Department of Justice to 30 days after the favorable decision of the regulatory agency to bring suit, and with the 30 days they have to report to the banking agency—in fact, a minimum of 60 days.

Since the Department is in this from the beginning in advising the regulatory agency on the competitive facets involved this should be ample time. And it removes a serious, overhanging threat, which tends to undermine confidence so essential to banking soundness.

Secondly, the bill provides that banks that have merged will be spared the agony of unscrambling. This I shall discuss a little further later.

But all in all, it seems to me that any fairminded man would consider this a pretty good trade for a law placing the Department of Justice for the first time in a position to act on mergers with full legal sanction from now on, and also for a law preventing mergers until final court action.

Why isn't this an excellent advance for antitrust, all things considered?

My amendment is a practical solution to a confused and controversial situation. My amendment would leave untouched the principle of the applicability of the Sherman Act and section 7 of the Clayton Act to future bank mergers, in accordance with the decisions of the Supreme Court in the Philadelphia and Lexington, Ky., cases, but it would eliminate the necessity of unscrambling any future bank merger by providing the Justice Department a reasonable opportunity to sue before consummation of the merger. My amendment would prevent the breakup of banks which have already merged, either before these landmark decisions, or pursuant to a district court judgment specifically authorizing the merger while litigation was being carried on, or otherwise.

The present bank merger situation arose out of the completely new and unexpected interpretation of section 7 of the Clayton Act, announced in the Philadelphia decision and the almost equally unexpected decisions as to the Sherman Act in the Lexington case. Up until these decisions it was generally understood that section 7 of the Clayton Act, as amended by the Celler-Kefauver amendment in 1950, did not apply at all to

the usual bank merger. It was also generally understood that the Sherman Act was ineffective as far as bank mergers were concerned; in any event, the Sherman Act had never been applied to bank mergers by the Supreme Court and had never been used in any court in connection with a bank merger up to March of 1959. Additional legislation controlling bank mergers was necessary because the antitrust laws were either inapplicable or ineffective with respect to bank mergers. This was the advice given to the Senate Banking and Currency Committee in 1959 by Congressman CELLER, chairman of the House Judiciary Committee, and it was the advice given by the Department of Justice on six different occasions and by the President in his economic reports for 1956, 1957, 1958, 1959, and 1960.

On the basis of this understanding, the Senate decided in 1959, and the House agreed in 1960, to pass the Bank Merger Act of 1960. Under this act, the three banking agencies were clearly established as the final authorities to approve or disapprove mergers of insured banks. Each Federal banking agency had to obtain a report on the competitive factors involved in each bank merger from the other Federal banking agencies and from the Attorney General. However, it was clear that these advisory reports on competitive factors were not binding on the banking agencies, which were instructed to consider banking factors, such as the public convenience and necessity, as well as the competitive factors, and which could approve the mergers after this consideration only if they found the merger in the public interest.

The Congress specifically decided not to make applicable to bank mergers the strict standards of section 7, under which a merger would be denied if it would tend to substantially decrease competition in any one section of the country in any one line of commerce, regardless of good motives and demonstrable benefits of one kind or another which might flow from the merger.

I have earlier in this statement expressed my personal views on that 1960 legislation.

The Supreme Court in the Philadelphia case held that section 7 of the Clayton Act, as amended by the 1950 Celler-Kefauver antimerger amendment, applied to bank mergers. While this was contrary to the understanding of the Congress and the position the Congress had taken in the Bank Merger Act of 1960, it is the decision of the Supreme Court.

The Sherman Act also was applied in the Lexington case under circumstances not contemplated in 1959 and 1960. Instead of the more general standards adopted in the Columbia Steel case, the rigid standards of four railroad cases, widely thought to be obsolete, were applied to a bank merger with results closely approximating the Clayton Act standards.

The net result of the present situation is that the Attorney General, instead of serving in an advisory capacity to the Federal banking agencies, may start a suit on his own initiative against any merger, either a future merger or, under the 1950 amendment to section 7 of the Clayton Act, any merger effected after 1950, or under the Sherman Act any merger effected since 1890. It may be recalled that the divestiture order in the Du Pont-General Motors case applied to stock acquired in the 1920's, 30 or 40 years before the divestiture was ordered.

Senator ROBERTSON'S original bill, S. 1698, as he introduced it, would have exempted completely from the antitrust laws, including both the Sherman Act and section 7 of the Clayton Act, all mergers approved under the Bank Merger Act, past, present, and future, and all mergers approved by the appropriate Federal or State authority before the Bank Merger Act. Senator ROBERTSON felt that this would restore the situation to what it was thought to be, and what it was for all practical purposes, at the time of the enactment of the Bank Merger Act and before the Supreme Court's decisions in the Philadelphia and the Lexington cases.

My amendment, as I have said, would prohibit the consummation of a merger approved within 30 days after its approval. This would give the Justice Department time to start a suit under the Sherman Act or section 7 of the Clayton Act without being prejudiced by the fact that the merger had already been consummated. If such a suit were started, the merger could not be completed until after the suit had been concluded. If, however, the Justice Department did not sue within this 30-day waiting period or if, at the end of the suit, the Court decreed that the merger might be carried out, then the merger would be exempted from the antitrust laws, including both the Sherman Act and section 7 of the Clayton Act. The merger could no longer be the subject of any proceedings under the antitrust laws, either by the Department of Justice or by private parties through a triple damage suit.

In the case of mergers already consummated at the date of enactment of the bill, a similar exemption would be provided by my amendment from all proceedings under the antitrust laws, including both the Sherman Act and section 7 of the Clayton Act, and including both suits by the Justice Department and triple damage suits by private parties.

As far as future mergers are concerned, my amendment leaves the Justice Department just as free as it is now to institute suits under the Sherman Act or the Clayton Act during the 30-day waiting period. In this connection, it is pertinent to note that the Justice Department has 30 days to file a report under the Bank Merger Act, so it would in fact have 60 days in every case. And the experience of the Federal Reserve Board, as shown in hearings this year, is that merger cases average about 3½ months before approval.

And, as I have said, my amendment would be even more rigorous than the present situation because it would not permit banks to merge under any circumstances while such a suit was pending. In the Continent-Illinois case, in the Nashville case, in the Crocker-Citizens case, and in the St. Louis case, district courts, after hearing arguments from the Justice Department and from the banks involved, permitted the banks to go ahead and merge while the suit was pending. This would be impossible under my amendment. I inserted this provision for two reasons. First, I thought that to permit the merger to be effected while the suit was pending would prejudice the Department of Justice in its efforts to win the case and to convince the court to order the breakup of the merged bank. I think the Justice Department is finding this a real problem. Second, I am opposed to any attempt to unscramble or to break up merged banks. Banks are of real importance to the country, to the Government, and to business, trade and the public generally. Most of our money supply is in the form of demand deposits in banks. Most industrial, commercial, individual and governmental receipts and payments are made by check. Most of the Nation's business depends on bank credit and financing. It is because of the importance of banking to the Nation that we have a national bank system, a Federal Reserve System and a Federal Deposit Insurance Corporation. I thought it would be bad, not only for the banks' officers and employees and stockholders, but also, and more importantly, for the banks' depositors, borrowers and trust accounts and for the Government and the public generally. The difficulties which the Government is having in Lexington and New York are, I think, clear evidence that these are real and substantial problems.

I included in my amendment an exemption for all mergers which had been consummated at the time of enactment of the bill and had not yet been unscrambled. I did so for two reasons. First, I felt that most of these mergers had been approved and had been carried out at a time when there was a general understanding in Congress, in the executive branch and among the legal profession that bank mergers were for all practical purposes exempt from the antitrust laws.

This was, as you know, the position taken by Kaysen and Turner in their book on antitrust policy. Without wishing to question the decision of the Supreme Court in the Philadelphia and Lexington cases, I think it is fair to say that for practical purposes these cases had the effect of new legislation. And I think it is appropriate under these circumstances to apply to rules established for the first time by the Supreme Court decisions the same principles against retroactive legislation and against ex post facto laws as the Constitution applies to laws generally. Furthermore, in several of these cases preliminary injunctions were sought by the Justice Department against the merger even before the consummation of the merger, and in some of these cases the trial court authorized the merger on the ground that there was no reason to believe that the Government would be successful. In the case of the approved mergers on which no suits have been started, including those approved under the 1960 act and those approved by the Comptroller or the appropriate State bank supervisor in the 1930's, 1940's, and 1950's, I felt that the need for certainty and confidence in the banking system outweighed any possible interest the Attorney General might have in attacking a merger consummated 5 or 10 or 20 years ago.

My second and more important reason was that I do not think it is good for the Government, for business, industry, and commerce or for the public to attempt to break up or unscramble banks which have already merged. I have already discussed this point, and I need not elaborate on it further here.

My amendment would exempt future mergers from the antitrust laws, including the Clayton Act and the Sherman Act, at the expiration of the 30-day waiting period. It would not, however, immunize banks created by such mergers from future attacks under the antitrust laws for later conduct which might violate the antitrust laws. If, for instance, a bank resulting from an exempted merger should engage in action found to be a violation of the prohibitions of section 1 of the Sherman Act against illegal restraints on trade or commerce, or the prohibitions of section 2 of the Sherman Act against monopolization, or some other action which might be a violation of an applicable provision of the Clayton Act, my amendment would not provide any protection against action by the Department of Justice, or by private parties through a triple damage suit, arising out of activities of this sort subsequent to the merger.

Senator JAVITS and I discussed this point on the Senate floor during the debate on S. 1698, and made it clear that the Senate understood and agreed with the position I have expressed above.

I am in favor of strong and effective competition in banking. I believe this is good for the banks and their officers, employees and stockholders. I believe competition in banking is also good for those who wish to deposit money in banks, or to borrow money from banks, or to make banks their trustees, and for those who wish to carry on business and make their financial transactions through the 130-odd billion dollars worth of demand deposits. Incidentally, I believe competition in banking is good for

the Government, which must sell vast quantities of Government obligations in the money market. These same considerations convince me that sound banking is just as important as competitive banking. My support for competition in banking does not make me wish for the return of the good old days of "free banking" when one could start a bank and issue bank notes freely without any Government review or supervision. More recent experience with unregulated savings and loan associations in Maryland should disabuse us as to the supposed merits of full and free competition in the financial world.

The history of our Nation shows our unending concern with sound banking and competitive banking. The First and Second Banks of the United States tended, it was thought, toward monopoly and undue concentration. The area of free banking in the 1830's and 1840's went the other way. The national bank system, the Federal Reserve System, the Federal Deposit Insurance system showed the United States groping toward a workable combination of competition and soundness, and obviously the Bank Holding Company Act of 1956 and the Bank Merger Act of 1960 reflected Congress' concern with banking even more sharply.

With all its faults, I think our present dual banking system, made up of some 14,000 commercial banks, divided into 51 different bank systems, each with its National and State bank elements, with branches and holding companies limited to the several systems, provides a very high degree of competition and a very high degree of soundness and security.

This country has the only truly competitive banking system in the world. Other free nations either rely on government banks or on a very small number of huge private banks.

Furthermore, our banking system with some 14,000 independently owned banks is far more competitive than most American industries. Aluminum, steel, automobiles, insurance, newspapers, and virtually all other major industries have far higher degrees of concentration.

In my judgment, this banking competition is good and is a principal reason for the vigor and strength of American competition generally. The bank merger bill would keep it that way by taking by far the strongest action to stem bank mergers the Congress has ever taken.

GUIDELINES FOR IMPROVING THE INTERNATIONAL MONETARY SYSTEM

Mr. JAVITS. Mr. President, I take this opportunity to call to the attention of my colleagues the report issued on September 3, 1965, by the Joint Economic Committee's Subcommittee on International Exchange and Payments, entitled "Guidelines for Improving the International Monetary System."

This report is most timely as it comes just about 3 weeks before the Governors of the International Monetary Fund convene in Washington for their annual conference. These meetings are of unusual importance as they provide an opportunity for the world's financial leaders to begin meaningful negotiations concerning the reform of the International Monetary System. Secretary Fowler in his July 10, 1965, speech announced that the United States is now ready to attend and participate in an international monetary conference. At the same time he expressed the hope that the conference would provide the occasion for the beginning of the necessary preparatory steps without which it would not be possible to bring about changes in the world's financial system that would be of a lasting character.

The Secretary of the Treasury is presently on a 2-week tour of seven European capitals for the purpose of sounding out opinion on the nature of reforms our European allies think would be desirable. Newspaper reports indicate that thus far these talks have resulted only in agreement that discussions leading toward negotiations on how the International Monetary System may be improved should start soon. Considering that "discussions" have been underway for the past 2 years, at least, these are limited results.

One issue that is very clearly present in Secretary Fowler's conversation with European financial officials is the state of the pound sterling. It is clearly recognized that the persistent weakness of the pound is as important an issue at the present as the reform of the international monetary system itself.

It is my view that our own measures to eliminate the United States balance-of-payments deficit have necessarily been an important factor in the efforts of the United Kingdom to solve its balance-of-payments problem, which is fundamentally the result of obsolescence, outdated production methods, and unproductive labor practices. To the extent that the normal flow of capital from the United States to the United Kingdom has been cut off—and already there is some evidence of that—it has increased the problems of British firms to finance the modernization of their equipment and thereby to deal with a fundamental aspect of the British balance-of-payments problem. It is for this reason that I called on the President in a speech I made on August 12 to exempt the United Kingdom from the interest equalization tax at least up to the level Japan has already been exempted—$100 million per year.

In this connection I call the attention of my colleagues to the annual report of the IMF issued on August 29 in which it suggests that if the improvement in the United States balance of payments were to go so far as to threaten excessive pressures on other countries in general—and I believe this could occur shortly as far as the United Kingdom is concerned—one of the measures that could be taken is a relaxation of U.S. voluntary and other controls on the outflow of dollars for lending and investing. Exemption of the United Kingdom at least up to $100 million annually from the interest equalization tax would represent a very effective and meaningful relaxation of U.S. controls. The British Government is presently demonstrating that it is willing to take the necessary deflationary measures to prove to the world that the British people are ready to make the necessary sacrifices to defend the pound. It is only fair that the United States lend every assistance to our British ally to make these sacrifices worthwhile.

For the long-term solution of the British balance-of-payments problem I also proposed that a sizable modernization fund be established in the World Bank—I estimated that a $10 billion fund would be required—to enable it, and countries in similar situations, to deal with its structural economic problems. I am pleased to note that in his newly published book, "Monetary Reform for the World Economy," former Under Secretary of the Treasury Roosa proposes similarly that a multibillion long-term loan be granted to the United Kingdom and possibly to Japan to correct their chronic shortage of reserves.

For the past 3 years I have spent considerable time urging our Government to recognize the existence of serious deficiencies in the present international monetary system and to take the lead in its reform which I believe is consistent with our national interest and the welfare of the entire non-Communist world. The report issued by the Joint Economic Committee on September 3 fully agrees with the viewpoint I have been expressing with regard to deficiencies which exist in the system and the need for action. The report is entirely correct in saying that, first, the system provides no mechanism for assuring that world reserves will increase as needed in the long run—world exports increased by 173 percent between 1948 and 1964; official world reserves increased by only 44 percent; second, the system suffers from the danger of instability; and third, most importantly, the present process of adjustment is unsatisfactory inasmuch as the burden of adjustment falls far more heavily on deficit countries than on countries with persistent balance-of-payments surplus.

It is a far more difficult process to determine how the system is to be reformed to meet these deficiencies, and at the same time to obtain agreement of all the industrialized countries of the free world who are members of the IMF. There have been a great many proposals put forth by prominent economists on both sides of the Atlantic during the recent years, including those of Posthuma, Bernstein, Triffin, and Zolotas. The Governments of Britain, France, and the United States have also indicated support for various plans during the past 2 years without having been able to agree on a scheme acceptable to all. To some degree, lack of agreement has been due to the weaknesses of some of these plans, but to a large degree it has been due to political considerations.

It is therefore not surprising that the committee's report has not endorsed any particular plan but, instead, has laid down 12 guidelines which should govern U.S. action to strengthen the international monetary system. I am particularly pleased that these guidelines reflect several of the key recommendations I have made over the past 3 years, including the preferability of new ways of creating international reserves centered in the IMF to any other approach presently advocated; the need for automatic expansion of international reserves as opposed to reliance simply on the balance-of-payments deficits of the United States and the United Kingdom; and the necessity for substantial improvements in the adjustment process as part of international monetary reform.

I ask unanimous consent that the 12 guidelines for improving the international monetary system as well as the position taken by the minority of the Joint Economic Committee on international monetary reform in the 1965 Joint Economic Report be inserted in the RECORD at the conclusion of my remarks.

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

EXHIBIT A

1. World liquidity needs cannot adequately be met by existing sources of reserves (gold, dollars, and pounds sterling) or even by the addition of new reserve currencies. New ways of creating international reserves must be sought.

2. The United States should seek neither to expand nor reduce the international role of the dollar. At the same time, we must work for a plan for new reserve creation that would not encourage or require countries to convert existing balances or new acquisitions of reserve currencies into gold or the new reserve medium. In this way, the dollar will continue to play an important, perhaps even a growing, international role, according to the voluntary decisions of traders and bankers abroad.

(a) The role of the dollar in private transactions will be unimpaired, even if foreign monetary authorities choose to reduce their dollar reserves.

(b) The demand for the dollar as an official reserve medium is likely to remain high.

3. Gold should continue its present role as a universal medium of international exchange. The United States should not seek to undermine it. But nothing must be done to enhance its value in relation to other forms of reserve assets; no arrangements can be acceptable that provide incentives to convert reserve currencies into gold.

4. The new method of reserve creation should combine agreed minimum annual increases with supplements to be determined by annual decision.

5. The new arrangements should be carried out under the International Monetary Fund.

6. Newly created reserves should be distributed to all fund members who qualify under criteria applicable equally to all countries.

7. While the new reserves cannot be used as a primary foreign aid device, because securing them by the credit of less developed countries might impair their acceptability, economic development can be respected by selecting suitable standards for allocating the new reserves.

8. The International Monetary Fund can create new international reserves by developing a new reserve unit or claim, making drawing rights more automatic and larger in amount without requiring additional gold deposits, or by special operations in currencies, fold, or deposits. In choosing among these possible methods, the distinction between owned and borrowed reserves should not be critical.

9. The Fund's conditional credit facilities should be expanded at the same time that new reserves are created.

10. A better sharing of international financial responsibilities should be achieved through an improved structure of Fund quotas.

11. The present system of bilateral arrangements as a second line of defense against short-term instability, while not the solution to long-term liquidity needs, should be expanded.

12. International financial reforms, however desirable, are not sufficient. Substantial improvements are needed in the adjustment process which brings international payments imbalances to an end.

(a) We must work toward an improved system for harmonization of national fiscal and monetary policies.

(b) We should agree with other countries upon codes of national behavior with respect to restrictions on capital movements for balance-of-payments reasons.

(c) The advantages and disadvantages of widening the permissible limits of exchange rate variation must be examined thoroughly as an essential part of a comprehensive program for improving the international monetary system.

EXHIBIT B

INTERNATIONAL MONETARY REFORM

Reform of the existing international monetary system is urgently needed. We are pleased that the administration has embraced this broad objective, but we regret its lack of specific proposals as well as the disposition to delay action until the U.S. balance-of-payments deficit is corrected.

Because liquidity for the existing system is largely supplied by U.S. balance-of-payments deficits, the system could break down when the United States finally eliminates its chronic deficit. Although there is no shortage of liquidity at this time, a shortage could result in the future both for this reason and because of the growth in the volume of world trade and payments. We believe that positive action should be taken now to reform the system before a crisis leading to world economic collapse can arise.

In a resolution which we have introduced in the Congress, we urged the convocation of a well-planned and well-organized international monetary conference to find a basic solution to the weaknesses of the world monetary system. The limited results of the deliberations of the Group of Ten and that of Western financial leaders in Tokyo in 1964 only underscore the need for a conference on the scale of the Bretton Woods Conference.

The recent Tokyo meeting of the financial leaders of the West has resulted in but a modest beginning toward the reform of the system which was established to meet conditions in the immediate post-World War II period. The decisions made there, together with the ad hoc improvisations of recent years, have succeeded in avoiding the breakdown of the system but have not produced the fundamental reform which is dictated by existing conditions.

We do not wish to deprecate, however, the very real contribution that the existing system has made during the past 20 years in the area of international monetary cooperation. The International Monetary Fund and the International Bank for Reconstruction and Development have been most helpful in easing the transition toward the convertibility of all major currencies, in reducing reliance on bilateralism, and in stabilizing swings between inflation and deflation in many areas of the world.

Our own dissatisfaction with the attitude of the world's financial managers is that their approach to adapting the system to current world conditions has been timid, being more disposed toward tinkering than facing such basic questions as these: Is the adjustment mechanism built into the existing system flexible enough to bring about a correction in the imbalance in international payments within a reasonable time? Does the existing adjustment mechanism place equal burdens on the countries which are in a temporary surplus position and those which suffer temporary payment deficits? Does the existing system generate sufficient credit to meet the needs of developing nations? Will it be adequate in the future to meet the needs of the developed countries?

At the present time, imbalances in international payments take years to eliminate and require, particularly on the part of deficit countries, measures which may hamper their economic growth and the expansion of world trade. The existing adjustment mechanism does not place equal burdens on surplus and deficit countries, but at times is contrary to the best interests of all concerned.

The chances for securing European cooperation for a conference to consider these questions are improving. Even while pressing the United States to eliminate its balance-of-payments deficit, European financial leaders are growing increasingly concerned about the impact that success in this endeavor will mean for their own international balances and for the stability of the world monetary system itself. Although enlarging the International Monetary Fund quotas is helpful, it in no way diminishes the need for a more basic reform.

The alternative to basic reform is the continuation of the existing system with more stringent forms of financial "discipline" added. The free world has already paid a high price for the existing system in terms of restrictions on trade and capital movements—such as the U.S. interest equalization tax—and in Government procurement policies which are undermining 30 years of progress toward trade liberalization.

The international monetary system has an enormous impact on economic conditions in both the developed and developing nations of the non-Communist world, on the well-being of their citizens, and on their ability to meet the many and varied challenges of Communist power. It determines, to a large degree, our freedom to pursue appropriate domestic economic policies, and it has a major impact on domestic political stability in many Western nations.

A well-functioning and flexible international monetary system has a major impact on our ability to supply an ever-increasing volume of economic assistance to the developing nations, which is essential to insure them a satisfactory rate of economic growth in a democratic framework.

For what distinguishes the free world from the Communist world and gives freedom its greatest inducement is the opportunity to extend credit to, and confer ownership on, the individual.

In order to bring about the required improvement in the performance of the existing international monetary system, the international conference that we have suggested should consider the following points:

1. The availability and expansion of the world's supply of international credit should be managed and not left to such haphazard factors as how much gold is mined and how big the U.S. balance-of-payments deficit is. The appropriate role of the IMF and other international organizations in the management of international credit should be thoroughly reviewed.

2. IMF and the Group of Ten should cooperate closely in developing new forms of international credit along with safeguards to insure that credits are used to give deficit countries time to correct imbalances and not as a substitute for such correction.

3. The need to increase availability of long-term, low-cost credit to the developing nations.

New forms of organization and new methods of channeling private capital to developing countries must be found if private enterprise is to retain a major role in the economic development of less-developed countries. The example provided by the newly organized, multinational investment group called ADELA, the Atlantic Community Development Group for Latin America, should be ample proof that given sufficient energy and determination new devices and methods can and will be found.

The initial success of this venture in attracting major corporations and financial institutions in North America, Europe, and Japan is indicative of the will that exists

in many countries of the world. Its power to attract additional public and private capital is great and its potential in proving that there exists widespread confidence in the potentiality of one developing region of the world—Latin America—is even greater.

In this connection, it is important that study be devoted to determining the effect of Government aid on private investment flows into the developing nations. Although Government aid need not inhibit private investment, this may be the result if the Government aid is given and administered in a manner prejudicial to private capital.

The existing system does not meet the credit requirements of the developing nations. According to the 1964 Annual Report of the Council of Economic Advisers, the total long-term receipts of developing countries from public and private bilateral and multinational sources now total in the area of $8 billion a year. On the other hand, estimates made by a number of highly reputable experts place the capital needs of the developing countries at between an additional $7 to $11 billion per annum. This gap is based on the modest assumption that such additional funds would be required to permit developing countries to grow at an overall rate of between 4½ and 6 percent per year. Given the present 2.1 percent annual increase in the world's population, the increase in per capita gross national product that will result from this additional flow of capital would amount to between 2.1 to 3.9 percent per year. The average per capita gross national product of developing countries is now estimated at $130 per year. The need for additional capital indicated above is, therefore, by no means exaggerated.

There is a related problem which should be considered: the interest cost and duration of credit presently being extended to developing nations. Today these countries are paying about $2½ billion a year, or one-fifth of their gross capital inflows, for servicing their externally held public debt; and the charges are mounting rapidly. Still worse, the charges are mounting much more rapidly than are the export earnings required to service the total debt. Between 1956 and 1962 debt service rose from 3 to 7 percent of the value of developing countries exports of goods and services. The need for an increase in the volume of long-term, low-cost credits—both public and private—is, therefore, very real.

The opportunity for private enterprise in the United States and in other OECD countries to play an increasingly significant role in providing substantial credit is enormous; but this role requires a basic change in attitude by business and Government and new devices to meet the problems of the day.

We must begin devising an international payments system which takes cognizance of changes in the world economy since the Bretton Woods Conference in 1944 and which will be flexible enough to fit into the economic order of 5 to 10 years from now. A well-planned international monetary conference, in our view, is a necessary—and vital—first step toward such a workable system.

IMMIGRATION BILL AND REAPPORTIONMENT AMENDMENT

Mr. MANSFIELD. Mr. President, I am happy to note that at long last the immigration bill has been approved by the Committee on the Judiciary by a substantial majority and that it will be reported by the committee to the Senate a week from today.

I think I should take this occasion, speaking as a part of the leadership, to express my thanks to the distinguished Senator from Connecticut [Mr. DODD], who changed his vote although his principles remain the same and he is opposed to the reapportionment measure, to allow that measure to be reported out of committee and onto the calendar.

I think this increases the prospects of bringing about an adjournment at a more reasonable time, although that time has already been extended too long as far as I am concerned. Nevertheless, the decision has been made. The reapportionment amendment offered by the distinguished minority leader [Mr. DIRKSEN] will be on the calendar. It will not be taken up this year, and the Senate will be able to go ahead with the rest of its work somewhat along the schedule which has come to be accepted in recent days.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. Mr. President, I am a member of the Judiciary Committee. We had what in my opinion was one of its most historic meetings this morning. I think the record would not be complete without reference to the Senator, who made many things possible which would not have been otherwise possible, notwithstanding his deep conviction with respect to the issue. So many of us who hoped the immigration bill would come up in this session of Congress will applaud what the distinguished Senator from Connecticut did, without any change in heart consistent with his feelings and convictions. I think we should join the distinguished majority leader, who also has brought this situation about without any change in heart consistent with his feelings and convictions.

Mr. MANSFIELD. Mr. President, I would agree thoroughly with what the Senator from New York has just said. I would reemphasize for the record that while the distinguished senior Senator from Connecticut [Mr. DODD] voted to report the reapportionment amendment out of committee, this did not and does not in any way indicate a change in his conviction in being opposed to the reapportionment measure; but in the interest of expediting procedure, as a courtesy to the leadership, he did vote to report the reapportionment amendment without recommendation, with the result that legislation remaining before the Senate will be expedited much more speedily.

TRIBUTE TO SENATOR DODD

Mr. SMATHERS. Mr. President, I want to associate myself with the remarks of the very able and distinguished majority leader and want to take this opportunity to congratulate my colleague and friend, the very able and distinguished senior Senator from Connecticut, THOMAS J. DODD, for the statesmanship which he displayed in the Senate Judiciary Committee this morning.

Senator DODD originally voted in the subcommittee to move the Dirksen reapportionment amendment to the full committee for consideration. An impasse occurred blocking consideration by the full committee of the very important immigration bill for consideration by the Congress. Realizing this situation, and the extreme importance of the immigration bill, even though he stated that he disagreed with the Dirksen proposal, and did not support it on a prior occasion in the full committee, Senator DODD voted to break the impasse so that the Dirksen proposal could be referred to the Senate for consideration in the next session. Thus the path was cleared for the Senate Judiciary Committee to take up the very important immigration bill.

Mr. President, the immigration bill is among the more important legislative business pending before the 89th Congress. As President Johnson observed on August 3, he has been working since his earliest weeks as Chief Executive in order to "bring realism and understanding to the immigration procedures of this Nation."

By his action today, Senator DODD has demonstrated the depth of his commitment to the pledge of this Nation to posterity.

The first and essential quality of a statesman, Richard Steel observed in "The Tatler" is to have public spirit.

Senator DODD has such a spirit in full measure and he demonstrated it today.

In taking such action, Senator DODD, in my opinion, displayed full knowledge of the legislative process to the benefit of his State and the Nation. This display of true statesmanship is basic to his outstanding character and integrity. It is heartening to know that men of Senator DODD's caliber are in the U.S. Senate. I am indeed proud to have him as a friend.

THE STEEL DISPUTE SETTLED—THE PRESIDENT'S ROLE

Mr. YARBOROUGH. Mr. President, I feel that all Americans are relieved by last week's conclusion of the steel industry labor contract negotiations without a strike. The losses our economy would have sustained in the event of a strike would have been enormous. All Americans can join in saluting the wisdom of the labor and the management negotiators who found it possible to accept a reasonable solution to their differences. Especially, Americans can salute our President, who set up the conditions that enabled the negotiators to reach agreement. He followed the pattern set by previous Presidents, in keeping before the negotiators the interest of the public in a settlement, and used his own skill and persuasion to help the parties reach agreement.

The Houston Chronicle of September 5 expressed the thoughts of all of us in an editorial entitled "Good News—No Strike in Steel" I read from the editorial:

It is extremely good news that the threat of a steel strike has been ended with "essential agreement" between the industry and the United Steelworkers Union.

"The American Nation has won," said President Johnson of the agreement which was based upon suggestions he made after the negotiation had become deadlocked again. The Nation always wins when a strike that could cripple the economy, such as a strike of 350,000 steelworkers, is averted on terms that are economically sound.

The settlement upon which finishing touches are being placed conforms to that definition, we are assured. That is, the wage and fringe benefit increases are "within the wage-price guidelines" set by the President's Council of Economic Advisers to prevent inflation.

The President is to be commended for his vigorous leadership and the union and management for reaching the compromise settlement. The Nation can breathe more easily over the Labor Day weekend in the knowledge that a serious blow to the economy has been averted.

I point out that, while 350,000 steel workers would have been involved, it would have involved 900,000 workers in the steel industry. Now we are sure of 3 years of peace in that industry. Steel is a basic item which is used in the automobile industry, farm equipment industry, defense industry, and construction industry—the basic industry in which most persons are engaged in manufacturing. I refer particularly to the steel and automobile industries, which are regarded as indexes of employment, on which so many related industries depend.

In addition, many white-collar workers would have been laid off pending the settlement of the dispute.

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

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to proceed for 1 additional minute.

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

Mr. YARBOROUGH. The President is to be commended for his leadership, under which, in his words, "The American nation has won."

I ask unanimous consent to have printed in the RECORD an article from the New York Times of September 5, 1965, entitled "President and Labor: A Survey," giving a background which points out that ever since President Benjamin Harrison the White House has intervened in labor disputes, beginning in 1894. Since that year the White House has played some part in all major labor-management disputes.

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

[From the New York Times, Sept. 5, 1965]

PRESIDENT AND LABOR: A SURVEY—WHITE HOUSE, SINCE 1894, HAS PLAYED A PART IN DISPUTES—JOHNSON INTERVENTION ENDED THE RAILROAD DEADLOCK IN 1964

WASHINGTON, September.—President Benjamin Harrison was a gracious, effective speaker who found nothing to say when Carnegie Steel and its workers took up rifles and cannon against each other at Homestead, Pa., in 1892.

Mr. Harrison, soon after, was defeated for reelection and no President since then has chosen to ignore a labor-management crisis in industries like steel, coal, and railroads.

President Johnson is no exception. He has paid close attention to all major disputes, intervening whenever he thought it necessary. Settlement of the steel dispute yesterday was his second big success in a mediation role in less than 2 years in office. The first was the settlement of a threatened rail strike last year.

Presidential intervention in wartime has always been understandable and acceptable to public opinion. But Presidents have intervened without using the rationale of a world war. This is what Mr. Johnson did, following precedents established by other Chief Executives before him. Grover Cleveland, in the name of keeping the mails moving, sent troops to Chicago in 1894 to put down the strike of the American Railway Union against the Pullman Co.

THE ECONOMY'S HEALTH

The main objective of Presidential intervention in major labor disputes has been to defend the health of the economy from internal strife. In the absence of extraordinary wartime powers they have relied on limited statutory authority and the indefinable near-majesty that attends the office of the President.

There are powers inherent in the Presidency, powers of moral and personal persuasion as well as force, that can best be seen by looking at the history of the office. These powers have always varied with the man. Each has dealt with, or ignored, industrial crises in his own way, and with varying degrees of success and failure.

For example, there had been no steel strike at all in 1962 when President Kennedy angrily intervened to prevent a steel price increase.

VIGOROUS ACTION

Mr. Kennedy reacted with hot temper, speed, and vigor, relying only on the prestige and the awesome general powers of the Presidency. The Government made gestures in the direction of antitrust prosecutions. The steel companies withdrew the higher prices.

This was not an unmitigated success for President Kennedy. The business community reacted with suspicion and sullenness. Mr. Kennedy, to the day he died, devoted a great deal of time and energy to the repair of that rupture.

The legal power available to a President to prevent strikes and lockouts is slight. The 80-day injunction—under the Taft-Hartley Act is one example. After the 80 days expire, the parties are free to resume their war.

President Truman, under pressure from union leaders who despised the Taft-Hartley Act, bypassed it in 1952 and invoked the "inherent powers" of office and the necessities of the Korean war. He seized the steel mills. But the Supreme Court made Mr. Truman let go.

RESOURCEFULNESS DEFIED

Another example was the longstanding railroad dispute that defied the resourcefulness of Presidents Eisenhower and Kennedy. General Eisenhower set up a commission that made recommendations to no avail. Mr. Kennedy asked Congress to send the dispute to the Interstate Commerce Commission. Congress, instead, wrote a compulsory arbitration law for that particular dispute, or part of it.

Even that did not dispose of all the issues. The five operating unions, pressing other points, were on the verge of closing down the railroads in the spring of 1964. President Johnson less than 2 weeks after intervening, clinched a settlement.

In the 4-month steel strike in 1959, President Eisenhower sent Vice President Richard M. Nixon into the negotiations. The operators had already lost their case without realizing it. Mr. Nixon and Secretary of Labor James P. Mitchell felt that the union had won the political and public relations skirmishes and that the effect would be translated into law if Congress, about to reconvene, found the issue on its doorstep. A settlement was announced on January 4, 1960, after 116 days of idleness.

Theodore Roosevelt, for all his compelling personality, could not at first bend the anthracite operators to his will in 1902. In the view of Roosevelt partisans, the operators had insulted him. However, Mr. Roosevelt won his point and averted serious damage to the prestige of office, but only after enlisting the help of so improbable a mediator as J. Pierpont Morgan.

THE TOUGH JOHN L.

In the Roosevelt-Truman era, it was a labor leader, John L. Lewis, who snorted defiance at the White House and the courts. A Federal judge levied a $3 million fine on the miners' union. The Supreme Court cut that to $700,000 but otherwise upheld the lower court.

On another occasion, Mr. Truman, angered by two stubborn railroad union leaders, marched up the hill to Congress and proposed, among other things, that the Government draft the Army. Congress paid no heed but Mr. Truman had made his point with the labor leaders.

The public, having accepted White House intervention during World War II, did not seriously question its continuation after the war. Some labor economists and other professional observers, however, often did question the wisdom, if not the legality of Presidential pressures.

Arthur J. Goldberg, as counsel to the United Steelworkers in 1959, questioned the existence of a national emergency that year and blocked the effectiveness of a Taft-Hartley injunction for 18 days while carrying his case to a Supreme Court decision.

Awareness of White House concern and prospective intervention, some argue, tends to impede bargaining. One or both of the parties may hold back until the inevitable day of intervention arrives. One or both sides may feel that the President will get them something more, or save them from something worse. Or they may see an advantage in yielding only to the President, thus putting themselves in a position to make some demand on him.

Presidential intervention in national emergencies may be inevitable, as some experts say, but it is difficult to get agreement on what an emergency is, other than war.

PRESTIGE CAN SUFFER

Given these demands, intervention can be premature or become so common that it is ineffective, and the prestige of the presidency suffers.

President Kennedy, in his 1960 campaign, leaned to legislation that would give the President increased powers in dealing with labor disputes. Thus he kept stubborn negotiators guessing about the fate awaiting them if they permitted the conflict to go to the White House. The legislation never progressed far beyond the talking stage.

Harold L. Enarson, who witnessed the 1952 confrontation of steel companies, the union, and the Government from his vantage point on the White House staff, wrote:

"Intervention is severely handicapped if the extent of the emergency is exaggerated. The Government cries 'wolf' at its peril. The penalty of exaggeration is disbelief.

"From the exaggerated fear that even a day's stoppage spelled disaster, the Nation swung to the far more dangerous exaggeration that the prolonged strike really didn't hurt much. At the root of the struggles was a wide split on the extent of the national danger and its implications for presidential power."

PRESSURE POINTS

A President is always aware of these points and others. He can pull out a lot of stops and look like a wizard. But if real pressures on the disputants do not exist, and if he cannot manufacture them, he is taking vain risks.

E. Robert Livernash of the Harvard Business School, with a sizable force of associates, made a study of relationships in steel. He said in his report to the Secretary of Labor in January 1961:

"While the conclusions of this study indicate that the consequences of steel strikes to the public need not cause alarm and are

typically exaggerated, the crisis atmosphere which is created can outweigh a logical appraisal. A succession of long steel strikes can easily lead to a political situation which demands drastic legislation. The consequences of such legislation are very difficult to appraise, but they are not appealing, because they substitute the uncertain consequences of public power for private responsibility.

"The exaggerated national emergency interpretation of steel strikes, with consequent Government intervention," he concluded, "has tended to reduce the compulsions for avoiding strikes."

STUDENTS TESTIFY TO NECESSITY FOR NEW GI EDUCATION BILL

Mr. YARBOROUGH. Mr. President, in appearing before the House Veterans Affairs Committee in its hearings on legislation extending benefits of the GI bill to cold war veterans, Mr. and Mrs. William R. Withee presented statements of a moving and strongly convincing character. Mr. Withee is a Marine Corps veteran and a student at the University of Maryland. He is also president of the Veterans Club at that university. I request that the statements of these two outstanding young people be printed at this point in the RECORD.

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

STATEMENT OF THE VETERANS CLUB OF THE UNIVERSITY OF MARYLAND IN SUPPORT OF THE COLD WAR VETERANS READJUSTMENT ASSISTANCE ACT, BEFORE THE HOUSE VETERANS AFFAIRS COMMITTEE

(By William R. Withee, College Park, Md., Sept. 7, 1965)

Mr. Chairman, members of the committee, I would like to thank you for allowing me the privilege of speaking today on behalf of the cold war GI bill. As president of the Veterans Club of the University of Maryland, I have heard a great many comments from its members, and from servicemen concerning the Armed Forces, education and other timely topics. I believe that this committee would be interested in hearing the views of men who would be affected by the legislation under consideration.

In a changing society such as ours, with its stress on technology and automation, servicemen who return to civilian life find that machines do the work of men, and employment qualifications have become more selective. In addition, college enrollments, doubled in some States since 1960, force both tuition and entrance requirements to go spiraling upwards. These factors put added burdens on the servicemen who, having done their duty, wish to resume their lives as civilians. It is true that some of our servicemen have been given the decided advantage of specialized training which will better enable them to attain decent employment on the outside. But this is the exception, not the rule. For a marine whose only job is caring for a machinegun, or for a soldier whose sole occupation is driving a jeep, there can be but the slightest chance of his training helping him in obtaining civilian employment. It is no wonder that in California the unemployment rate for veterans is twice that of nonveterans.

Some have stated that legislation such as the cold war GI bill is not needed because servicemen have many opportunities while in uniform to pursue their educational goals. Gentlemen, may I state that this indeed may sound attractive to men entering the Armed Forces. Because of the present world situation, many patriotic Americans enter the service with duty in mind first, and education second. But the sad part about it is that for far too many, too often, education is unavailable or impossible. It is rightly so that servicemen must realize that duty to one's country comes first. But much despair and disappointment can be found among servicemen because when they enlisted or were drafted, they were told of opportunities to receive education, and later found that opportunities in the service are, for the most part—unsatisfactory.

I recall that in 1959, shortly after my graduation from recruit training, I enrolled in a history course from East Carolina College. I was informed that, because each class was three hours long, given twice a week, I was allowed only four absences from the course. I was a truck driver then, and when a minor crisis arose somewhere in the Caribbean, I was put on standby at motor pool so often that I missed five classes. I received an unsatisfactory report for the course. This is not the only stumbling block to service connected education; there are others, such as antagonistic career servicemen, sudden troop movements and transfers, inadequate studying facilities, and additional duties such as mess duty and guard duty.

We then have a picture—an enlightened serviceman who, after realizing that an education or training is necessary for advancement, and is frustrated in his attempts to obtain it in the service, resigns himself on a wait for the day he gets "out", so that he can pursue these objectives on a regular basis.

It is our belief that legislation such as the cold war GI bill would not induce servicemen to leave the Armed Forces in droves, as has been implied. On the contrary, we feel that many would enter the service so as to be eligible for schooling and training benefits under such a bill. These men would be assets to the Armed Forces by virtue of their morale, motivation, and seriousness. They would, speaking in a larger sense, be assets to this great country of ours, which must maintain it's position as a world leader and a defender of democracy.

Gentlemen, the great majority of servicemen with whom our organization has been in contact have declared emphatically that they do not wish to remain in the Armed Forces under any conditions. They have, in effect, been exposed to the experience of a disciplined, highly regimented existence, historically alien to our way of life, and necessarily unconcerned with individual needs and desires. No matter how many pay raises these young men might receive, nor how many fringe benefits they might be given, such as expanded PX privileges, they are eager to return to civilian life. They want to assume the role of responsible citizens; to build equity in homes and farms; to raise families. However, in spite of this determination and motivation, the 40 percent of our draft eligible young men who do serve their country find it increasingly harder to accomplish the transition from military to civilian life. When our servicemen return to the civilian labor force, they find, as I have found, that opportunities for employment are increasingly harder to find. These men, I am sure, are not bitter at the Armed Forces for their difficulty. On the contrary, they are proud to have served their country. They believe that it is every Americans' duty to do his part, no matter where or when.

The value of the two previous GI bills has been proudly pointed out many, many times. The statistics are impressive and often surprising, so I will not repeat any of what has already been said regarding monetary and other gains accrued from these bills. This would be redundancy. But, I would like to conclude my statement with a request that you consider the cold war GI bill, not as a favor or a reward, but as an opportunity for the millions of cold war veterans to help themselves, so that they may be better able to help this great country of ours.

May I again thank the chairman and the members of this committee for allowing me to speak today.

Thank you.

STATEMENT OF VETERANS CLUB OF THE UNIVERSITY OF MARYLAND IN SUPPORT OF THE COLD WAR VETERANS READJUSTMENT ASSISTANCE ACT, BEFORE THE HOUSE VETERANS AFFAIRS COMMITTEE

(By Mrs. Doris Withee, College Park, Md., Sept. 7, 1965)

Good morning, Mr. Chairman, members of the committee, for the record, my name is Doris Arlene Withee, and I sincerely appreciate the opportunity to be here this morning to express my views, and I am sure the views of many, many young women like myself, on the need for legislation to provide readjustment assistance to cold war veterans.

I am a veteran of the U.S. Marine Corps, honorably discharged with the rank of lance corporal in 1961. I am married to a cold war veteran who spent 4 years active duty in the U.S. Marine Corps, and 2 years on inactive reserve duty. I know how the desire to obtain a higher education affects a young man—say, one who has completed 2 of his 4 years on active duty. I know what it means to look ahead in the future and see it in a dim light because the funds for a college education seem to be so far out of one's grasp. I have gone through many sleepless nights, planning budgets and counting pennies, hoping to find a way to help this man obtain his goal, which in our case is a Ph. D. in clinical psychology. Well, the sleepless nights have begun to pay off—after 5 long years of both a part-time and full-time education, my husband is now a second semester junior at the University of Maryland.

Now once again, the future looks dim. We'll make it through the bachelor of arts degree, but with two small children, Lisa nearly 4 years, and Michael, 15 months, the problem of financing graduate work in college looms before us again. Enactment of the cold war GI bill would once again clear the way for us.

Here is my husband, potentially a man who will be trained to fill one of the thousands of vacancies which exist for persons qualified in the field of clinical psychology—if he can find the way to complete the years of preparation. We read so often of the shortage of teachers, sociologists, psychologists, scientists, engineers, doctors and other professionals. And we cannot understand why the great reservoir of talent which exists among the cold war veterans is allowed to go to waste. We hear of the shortage of skilled technicians which concerns industry. Yet there are thousands of young men and women, veterans of the Nation's Armed Forces, who cannot become trained for these seimprofessional positions because they cannot afford the cost of training. So they are either unemployed or working at frustrating, menial jobs and their potential talent is wasted.

Others have spoken, I'm sure, of the fact that the higher standards of recruitment for the Armed Forces has resulted in the services rejecting all but those with potentially the better mental and physical ability. Thus, the Nation is taking the best of those available, placing them in the country's service, and discharging them to fend for themselves in a high competitive unskilled labor market. It is hard not to be bitter—though we are not, I assure you—when one sees those who, since they come from families who can afford to pay their way, go to college and avoid military service, especially if they go on to graduate school, marry and have families. These people get a 2 to 4 year head start on the ex-serviceman, any way you look at it.

My husband and I are proud that we have served in the U.S. Marines. We believe that service to one's country is something of which to be proud. But perhaps if we had realized how tough it would be, we would not have enlisted. (I'm glad we did, because that's where we met.)

The point is sometimes made that a program of scholarships or student loans available to college students can take care of the veteran student. This is not quite so. Many veterans have to work while enrolled, because they are married, with children. Even those who are single also must work while attending school and have less time for study. In my husband's case—and this is not uncommon—he enrolled in a language correspondence course under the USAFI program while in the service in an effort to get started on his college education. But he was called to extra duty, missed lessons and became so discouraged, his heart was not in it. This was in addition to the military lessons through the Marine Corps Institute he was required to keep up in his so-called spare time. This is a very common situation. The USAFI programs are all right, but since obviously the servicemen's duty comes first, you will find a great many times their academic records are not as good as they should be. Thus, as a veteran he is at a disadvantage as a new student as far as getting student loans or scholarships is concerned.

On top of this, since he is busy from 6 a.m. until classes begin, and again in the evenings until 10 or 11 o'clock, he has not enough time to study in order to achieve the top grades I know he is capable of. I work full time as a secretary, but even with our combined earnings, we cannot make ends meet. We have no phone, which is a problem with two small children. I have done the laundry in the bath tub on weekends, because we could not afford the laundromat. I've collected soda bottles to trade for baby food more than once. And I am not complaining, for there are thousands of young people trying to make a success of life the same way.

However, I sometimes wonder how long we can keep this up. We are both healthy as are our children, but we will not always be young. We are fortunate that our children are in a nursery school—but we have far too little time to give to them in these most important early childhood years, when the family ties are so important.

With enactment of a cold war GI bill similar to S. 9, we would be able to cut down on my husband's workload, shorten the years he must spend in college if he can go full time, and solve many of the problems that are outlined in this statement.

I deeply appreciate the opportunity to testify before this committee. It is a rare privilege for an ordinary citizen to see his Government in action, and it makes me even more proud of my country to think that Members of Congress will listen to me as you have. But please consider that I am speaking not only for ourselves.

I assure you that we are not alone. There are hundreds of thousands of young couples in the same situation. If the cold war GI bill is enacted into law, not only the veterans but their wives and children will be assured that this country cares. And in turn these young people will return to the Nation, in increased ability as well as taxes paid on increased income, far more than the GI bill could possibly cost.

Thank you.

ON GUERRILLA WAR

Mr. CHURCH. Mr. President, an excellent article by Eqbal Ahmad of Cornell University on guerrilla warfare was published in the August 30 issue of the Nation magazine.

I ask unanimous consent to have the article printed in the RECORD.

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

REVOLUTIONARY WARFARE—HOW TO TELL WHEN THE REBELS HAVE WON

(By Eqbal Ahmad)

(NOTE.—Eqbal Ahmad, a Pakistani citizen, is assistant professor at the School of Labor and Industrial Relations, Cornell University. He spent 2½ years in North Africa (1960–63), first as a Rockefeller Fellow and later as Associate Director of the International Cultural Center. Mr. Ahmad is currently at work on a political biography of Habib Bourguiba.)

Vice President HUMPHREY expressed the national concern over guerrilla warfare recently when he spoke of this "bold new form of aggression which could rank with the discovery of gunpowder" as constituting the "major challenge to our security." It is viewed as the latest weapon in the Communist arsenal with Vietnam as its testing ground [see "Goliah and the Guerrilla," by Eric Hobsbawm, the Nation, July 19]. "If guerrilla techniques succeed in Vietnam," wrote James Reston in the New York Times, "nobody in Washington dare assume that the same techniques will not be applied in all Communist rimlands from Korea to Iran." This view is based on two assumptions and at least one serious misconception. It assumes that the Vietnamese situation is typical, historically and politically, of other underdeveloped countries, and that American policy toward other nations would be comparable to the one pursued in Vietnam. The misconception concerns the nature of revolutionary warefare.

America's interest in revolutionary warfare began from a defensive posture as a result of reverses in China, Korea, Cuba, and Laos, and of protracted involvement in Vietnam. It was natural for its officials to be attracted more to the myths and methods of those who have had to defend themselves against guerrillas than to an understanding of the causes and characteristics of such a war. Americans are therefore unable to avoid the psychological and political pitfalls of colonial powers and feudal regimes like France and Nationalist China. A symptom of this negative posture is that while recognizing "a bold new form" of warfare, Government publications, including the course books of Fort Bragg, reject the term "revolutionary war" in favor of old terms which do not suggest the vital distinction between revolutionary and other types of guerrilla conflict.

The official American interpretation of revolutionary war can be summarized as follows: (1) It is essentially a technical problem, i.e., a problem of plotting and subversion on the one hand and of intelligence and suppression on the other. As the chief conspiratorial group, the Communists are believed to be the most likely initiators and beneficiaries of revolution. It was this attitude which led to the recent attempt to nip in the bud what was construed as the Dominican Communist conspiracy. A logical extension of this theory is the belief that any revolutionary movement is inspired, directed, and controlled from abroad. (2) The active sanctuary—from which guerrillas can smuggle supplies and train their troops—is considered the primary factor in their success. (3) The guerrilla movement is believed to enjoy considerable advantage because in the words of W. W. Rostow, "its task is merely to destroy while the government must build and protect what it is building." (4) The civilian population is considered important for providing information and protection to the guerrillas; it is believed that civilian-guerrilla cooperation is enforced by terror. (Dean Rusk, while complaining of the "gullibility of educated men and their stubborn disregard of plain facts," asserted that the Vietcong "has no significant popular following * * * it relies heavily on terror.") Serious inquiry into other bases of guerrilla support and mass mobilization is therefore deemed of no great importance.

Judging from the failure of Washington's prophecies in Vietnam and from the policies followed to date, it would seem that these assumptions represent the actual official view and cannot be dismissed as myths conciously constructed for public consumption. Wrong premises do not usually produce right policies, and these assumptions are, at best, half truths—credible and misleading. (Oliver Wendell Holmes once remarked that a half truth is like half a brick: it can be thrown a considerable distance.) Studies in the field of revolutionary wars and my personal observation of the Algerian struggle lead to very different conclusions which may be summarized as follows: (1) Revolutionaries consider mass support the primary condition for their success; winning and maintaining popular support remains their central objective throughout the struggle. (2) The requirements of guerrilla war, as well as the history of its failures and successes, confirm the primacy of political factors in such a conflict. (3) Popular support for the guerrillas is predicated upon the moral alienation of the masses from the existing government. The revolutionaries' chief aim is to activate and perpetuate the moral isolation of the enemy regime until such isolation has become total and irreversible. (4) The conditions leading to revolutionary wars are not created by conspiracy. They are partly inherent in a situation of rapid social change, but the outbreak normally results mainly from the failure of a ruling elite to respond to the challenge of modernization. (5) A revolutionary guerrilla movement concentrates on "outadministering," not on "outfighting" the enemy. This is a constructive and not simply a destructive undertaking. (6) The use of terror by guerrillas is highly selective; it does not constitute the main reason for the favorable reaction of the masses to their cause. (7) The external sanctuary has greater psychological and diplomatic than military or political value to the guerrillas. A discussion of these points follows.

Organizers of guerrilla warfare give prime attention, in practice no less than in theory, to the human factor. T. E. Lawrence (of Arabia) spoke of guerrilla war in terms of "the algebraic element of things, the biological element of life, and the psychological element of ideas." In other words, although Lawrence's goals were essentially military, military considerations constituted, for him, only one-third of the problem of organizing and sustaining guerrilla troops. When Tito was told of the exceptionally unfavorabe terrain in the region of Srem (the area is level as the palm of your hand * * * and with little forests) he remarked, "What a first-class example it is of the relative unimportance of geographical factors in the development of a rising. The basic factor is studious political work, the attitude of the mass of people and the fighting leadership—if these are present the population would fight to the last man." Mao Tse-tung states, "Because guerrilla warfare basically derives from the masses and is supported by them, it can neither exist nor flourish if it separates itself from their sympathies and cooperation." This belief in the need to command popular support governs the movement through all stages of its development.

History confirms the sovereignty of the human factor in revolutionary warfare. While shying away from the wars that were "lost," American military analysts are prone to cite cases of successful antiguerrilla operations. A heavy favorite—the British

"counterinsurgency" in Malaya—is faithfully imitated in Vietnam. (Sometimes too faithfully, as in the case of the strategic hamlets program launched in April 1962.) But comparisons with Malaya are fallacious, because there the guerrillas were at a severe disadvantage. Their support was limited to a minority of 423,000 Chinese squatters, who were ethnically distinct from and distrusted by the majority of Malays, and popular grievances were not acute enough to make the guerrillas look like liberators to the Malay peasants. Furthermore, the British acted quickly to remove the grievances on which the rebellion was based. Even then it took 13 years and a total of 260,000 soldiers and police (80,000 British, 180,000 Malays) to put down 8,000 guerrillas (a ratio of 30 to 1). Another success story, the joint United States-Philippine victory over the Huks, is less frequently cited because of its embarrassing aspects. The Huk movement collapsed dramatically when Magsaysay convinced the peasants of his will and capacity to introduce reforms. However, the promises made to them were not kept and the Garcia administration witnessed a resurgence of guerrillas. In April 1962, Macapagal swallowed his embarrassment and ordered a mop-up operation in central Luzon. According to the latest reports, guerrilla strength in the Philippines is increasing.

The Algerian revolution, the least studied in this country though it comes closest to the Vietnamese situation, had actually been crushed militarily but had won politically when De Gaulle negotiated independence. By 1961, the guerrillas had been reduced to some 5,000 and their ability to engage the French at will had markedly declined. But France faced a sullen Algerian population that it had conquered but could not rule. The FLN was defeated in the field, but it continued to outadminister and "illegitimize" the French.

Why did the Algerian peasants risk, for 7 remorseless years, their lives, the honor of their women, and the security of their paltry belongings? Nationalism alone could not explain their violent and resolute rejection of French rule. In no other colony, except Indochina, did the movement for independence take so violent a turn. And why did not the peasants respond earlier to the militants' calls to arms? The answer comes from one of the historic chiefs of the Algerian revolution. The time was not "ripe," he said. "These events occur where foreign rule is resented, where acute grievances exist and institutional channels for ventilating and satisfying them are ineffective."

Peasant rebellions had occurred in past years of famine and high taxation, but these spontaneous and periodic disturbances, as expressions of frustration over social and economic conditions, are not a sufficient condition for guerrilla revolution. "Revolutionary warfare does not require simply discontent among the masses but a sense of desperation and a grim determination to end injustice and humiliation. It demands patience with prolonged suffering, and a determined conspiracy of silence, and militancy."

A people can summon up that resolution only if they feel morally alienated from their rulers. "The success of a revolutionary war is predicated upon the continual and increasing moral isolation of the enemy. When it becomes total the war has been won, for the population will then fight to the last man." Later, other Algerian leaders told me they had spent more effort fighting the French promises of eventual independence and reforms than fighting the military. The Algerians became increasingly alienated from the French as the latter increased their military effort, which in revolutionary warfare means large-scale killing of civilians (if for no other reason than because the guerrilla is undistinguishable from other peasants), and the FLN became more confident of winning not the military battles but the revolutionary war.

The conditions leading to revolutionary warfare are not created by conspiracy. They are inherent in the dislocations and demands produced by rapid social change, and are predicated on the failure of ruling elites to respond to the challenge of modernization. The pressures for change in the political, economic and social relationships of the past inevitably lead to a confrontation with those whose interests lie in the maintenance of the status quo. In countries and colonies whose rulers are willing to abdicate their monopoly of power and privileges, where genuine reforms are introduced, and new institutions begin to provide for a sharing of power and responsibility, the change is effected in an orderly (if not entirely peaceful) and democratic manner. But when a ruling class resists reforms (which invariably mean reduction in its power and privileges), its confrontation with the new political forces becomes increasingly violent. A regime unwilling to satisfy popular aspirations begins to lose legitimacy; revolutionary forces deliberately accelerate this process, by weakening the efficacy and cohesion of the ruling elite, and by giving form to the amorphous revolutionary conflagration. In the competition for leadership which often takes place in this volatile situation, non-Communist revolutionary groups are handicapped by several factors, the most important of which are the attitudes and policies of Western powers. By supporting the defenders of the old order, a great Nation like the United States weakens the fighting power of the democratic forces, drives the cold-war neutralists to seek the help of the Communists, and gives the latter new heroes and martyrs.

Once a revolutionary movement enters the guerrilla phase its central objective is to confirm, perpetuate and institutionalize the moral isolation of the enemy by providing an alternative to the discredited regime through the creation of parallel hierarchies. The major task of the movement is not to outfight but to outadminister the government. The main target in this bid is the village, where the majority of the population lives, and where the government's presence is often exploitative (collection of taxes). Here the chief and his council are the main link between the people and the government. Breaking this link demands careful planning, organization and hard work. The government is systematically eliminated from the countryside by the conversion or killing of village officials, who are then controlled or replaced by the political arm of the movement. The rebels must then build an administrative structure to collect taxes, to provide some education and social welfare, and to maintain a modicum of economic activity. A revolutionary guerrilla movement which does not have these administrative concerns and structures to fulfill its obligations to the populace would degenerate into banditry. The official American view that the guerrillas' tasks are easier because they only destroy contradicts the findings of those who have studied and observed these movements. During this phase, military confrontation is normally avoided, and the government also treats assassinations as a police problem, and ascribes nonpayment of taxes to administrative lags, bad harvests, etc. The Vietcong is known to have gained control over 70 percent of rural Vietnam during 1957–60—a period when Americans were presenting Uncle Diem as a rival of Uncle Ho and were going around saying: "Look, no Vietnamese army units are attacked. Therefore, there is no guerrilla threat."

Most compelling, but also most self-defeating, is the myth that terror is the basis of civilian support for the guerrillas. Guerrilla warfare requires a highly committed but covert civilian support which cannot be obtained at gun point. Only degenerate and defeated guerrillas are known to have risked the loss of mass support by terrorizing civilians (some Huk and Malayan diehards were reduced to it). An outstanding feature of guerrilla training is the stress on scrupulously "correct and just" behavior toward civilians. Political work believes General Giap, is "the soul of the army," and a Chinese guerrilla expert explains that "army indoctrination is primarily aimed at training the troops to act in such a way that they will gain this total support [of the people]." Guerrilla use of terror, therefore, is sociologically and psychologically selective. It strikes those who are popularly identified as the "enemy of the people"—officials, landlords and the like.

Killing a village chief, however, is often a more complicated affair. Since most chiefs are local farmers who command legitimacy and loyalty through tradition and kinship, the militants ideally want to persuade them into the movement. When that fails, it takes painstaking political work to engineer their assassination and to prepare the villagers to accept it. In the early years of the Algerian revolution it took the FNL from 2 months to a year to kill a village chief without incurring the liability of public hostility, and that was an anticolonial war. I was, therefore, amazed to learn that in Vietnam, about 13,000 local officials were killed between 1957 and 1961. Prof. Bernard Fall gives a simple explanation: These chiefs, as appointees of Diem, had little legitimacy compared with the Vietminh cadres who had liberated the country from France. Furthermore, the local officials became involved, along with the American-equipped and trained army, in the sordid business of restoring the landlords who had fled the country during the war. (A de facto land reform was achieved under the Vietminh.) These absentee aristocrats even demanded 8 years worth of back rent, covering the period from 1945 to 1954. Before the war, the rent had been 50 percent of the yield; the peasant was thus required to pay 400 percent of his produce and to surrender his rights to the land. The Vietcong had no problem preparing them to accept the killing of officials engaged in such work.

Terror is also used to insure survival of the militants and of the movement. Robert Kleiman of the New York Times (May 3, 1965) informs us that in Vietnam's "contested areas, with 40 percent of the population, Saigon usually gets cooperation by day and the Vietcong by night—because that is when their troops and officials are present. It is an old Asian custom." I was amused by the last sentence, for I know it is not our custom, but a universal practice of guerrilla warfare. The population must seem at least neutral if it hopes to escape full enemy treatment from government troops. Rebel troops and officials do not arrive at night from "somewhere in the mountains"; they are present during the day, too, and often lead the show of obedience to the government. At night, the loyal peasant turns into a guerrilla and all know him as such. To insure that the popular conspiracy of silence develops no seams, exemplary punishments are given to those suspected of having informed.

Second-degree terror, which normally does not result in killing, is used to sabotage the government's belated effort to gain popular support. Government schoolteachers and health workers are favorite targets of kidnapping and indoctrination. In June 1962, a South Vietnamese U.N. observer informed UNESCO that the Vietcong had kidnaped more than 1,200 teachers; the government's malaria eradication campaign collapsed after 22 health officers had been killed and 60 kidnaped. Guerrilla sabotage normally guards against causing too much hardship on the population and long-range damages

to the economy. Industry and even foreign-owned plantations are spared if they pay their "taxes" to the liberation front. And they normally do so when the government is unable to protect them. (In Vietnam the large European rubber plantations, Michelin, SIPH, Terres Rouges, resisted for a while, but started paying taxes to the Vietcong after their French supervisors were kidnaped.)

It is difficult to say at what point the moral isolation of a government becomes total and irreversible, so that no amount of promises and reforms would restore the lost confidence and reduce the peoples' resistance. In Algeria, at least, the point seems to have been reached when the French were reduced to torturing and killing civilians and to "regrouping" the population. Many Algerian leaders believe that their revolution became irreversible at the moment of France's greatest military victory—General Massu's conquest of the Casbah (the Muslim section of Algiers was reduced to rubble during 1957–58). France could no longer expect the confidence, much less the loyalty, of a people it was destroying indiscriminately, albeit unwillingly and despite itself.

The desertion of the intellectuals and moderates often signals, not so much the irreversibility of a revolutionary war, but its takeoff. Intellectuals, especially the Asian variety, are a democratic, liberal group, who view organized violence with distaste. Somewhat alienated from their culture, Westernized and city centered, they distrust the peasants but desire an improvement of their condition. When an armed revolution breaks out, they are likely to play in the middle, hoping to get some reforms underway by using the armed threat as a counter for bargaining. They begin to go on exile or to defect to the rebels after the failure of the regime and the success of the revolution become imminent.

The defending army's pressures for conventional attack on an external sanctuary is yet another sign that a revolutionary war has been lost on home grounds. In revolutionary warfare, armies trained for conventional combat follow a vicious logic of escalation, which derives from acute frustration over an elusive war that puts in question not only their effectiveness but the very validity of their training and organization. Moreover, the morale of professional soldiers cannot be maintained if they know they are fighting a popular rebellion. Hence the compulsion to believe that behind the popular behavior lies the terror of an army trained, equipped and directed by a foreign power, and the wish to draw the enemy into open battles. Since reprisals against the population fail to produce the desired result, carrying the war to a sovereign nation becomes the only road to a conventional showdown. In Algeria this demand led to French participation in the invasion of Suez, then to the bombing of the Tunisian border town of Sakiet Sidi Youssef, and produced a succession of army revolts, the last of which destroyed the Fourth Republic. Had the French Government succumbed to these pressures, France would have been the first power to violate the international practice of respecting the rights of sanctuary—a principle that was observed in Korea, Greece, Cyprus and Malaya.

The importance of an active sanctuary should not be underestimated, although it is not essential to guerrilla success. In Cuba, Yugoslavia and China the revolutionaries did not have active sanctuaries. In Burma and to a lesser extent in Greece, sanctuaries proved of limited value. Politically and militarily, revolutionary guerrillas are, by and large, a self-sustaining group who can go on fighting indefinitely even if infiltration from across the border stops. External help, however, has great psychological and diplomatic value. In a war of attrition, there can be no decisive victory over a strong foreign enemy. At best, one hopes to inflict on it heavy losses, tire it out and, through international pressure, force it to negotiate withdrawal. External help is important in internationalizing guerrilla demands, and keeps alive the hope of liberation. When a revolutionary army loses an ally, it loses not so much military support; it loses hope. When the world is not watching, when the fear of diplomatic sanctions and the threat of a widened war are absent, a foreign power trapped in counter-guerrilla operations is likely to make the final and the only move that may "win"—it starts to commit genocide.

Finally, the assumption that a guerrilla outfit, like a conventional army, can be controlled and commanded by a foreign or externally based government, ignores the organizational, psychological and political facts of revolutionary warfare. The distrust of the home based guerrillas, even for their own government in exile, cannot be overstated. The resourceful and tough interior leaders and cadres who face the enemy daily, collect taxes, administer, make promises and give hopes to the population are not easily controlled from abroad and make suspicious, exacting, and hard-to-please allies. Therefore, zone commanders and political commissars are, for the most part, monarchs of what they survey. As a group, they are joined together by shared experiences by a common mood which is defiant and insular, by a shared suspicion of politicians and diplomats over there selling them out, and by a collective will to defy a settlement that is not of their making.

In Vietnam, the signs are clear. The South Vietnamese regime has no legitimacy, and no government backed by a Western power can hope for popular support in a country where the Communists have capitalized on the nationalist appeal of restoring independence and unity, and where the pro-Western leaders have been Bao-Dai, Diem and the musical-chair generals. The massacre of civilians began as early as 1960 (not counting the earlier repressive measures of the Diem regime), as attested by reputable scholars and even a former Chief U.S. Military Adviser (Lt. Gen. Samuel T. Williams; see U.S. News & World Report, Nov. 9, 1964). It has since escalated. The intellectuals and moderates have deserted or defected. And North Vietnam is subjected to daily bombings. America and its South Vietnamese allies have lost the revolutionary war because they could not win the support of the Vietnamese people, and now their moral isolation is total.

As an Asian, I am aware of the appeals and threat of communism, and I would support policies likely to prevent its expansion. But I do not believe that communism is the wave of the future, and therefore I am neither panicked nor paralyzed. I believe that Vietnam is a unique case—culturally, historically and politically. I hope that the United States will not repeat its Vietnam blunders elsewhere. I do not subscribe to the domino theory and I am anguished by Americans who call Vietnam a test case. Vietnam is the only country in the world where the nationalist movement for independence was led by the Communists during its most crucial and heroic decades. In new countries where institutional loyalties are still weak, the legitimacy and popularity of a regime derives from its nationalist heroes and martyrs. Unfortunately for the free world the George Washington of Vietnam, its Gandhi, was a Communist nationalist. Ho Chi Minh and his associates (including General Giap of Dienbienphu fame) are understandably considered the founding fathers of modern Vietnam. It was morbid optimism to expect an absentee aristocrat to supplant a leader who had devoted a lifetime to the liberation of his country, and to defeat a leadership and cadres whose organic ties with the peasants were cemented by the bitter struggle for independence. It is not fair to blame Diem for driving the Vietnamese to desperation. He had no choice. Given his circumstances his only possible weapons were a power apparatus to regiment the population, all-out support of minorities, and widespread terror. These were not aberrations of a program but the program itself.

Vietnam is also the only country in which the United States gave substantial support to a colonial power in a war of independence. This could not have endeared America to the Vietnamese people. Then in the southern zone America replaced France, and supported the ex-French Puppet Bao-Dai; next it put up Diem as "the democratic alternative to Vietnam," and also failed to honor its pledge to hold elections for the unification of the country. To most Vietnamese the present war, therefore, is a continuation of the struggle for independence. I know how Asians feel about America's action. They call it neo-colonialism; some think it is imperialism. I know this is very wrong because Americans are naturally sympathetic to peoples' struggles for freedom and justice, and they would like to help if they could. I prefer the term "maternalism" for American policy in countries like Vietnam because it reminds me of the story of an elephant who, as she strolled benignly in the jungle, stepped on a mother partridge and killed her. When she noticed the orphaned siblings, tears filled the kind elephant's eyes. "Ah, I too have maternal instincts," she said turning to the orphans, and sat on them.

THE STATE TECHNICAL SERVICES ACT

Mrs. NEUBERGER. Mr. President, it was my privilege to chair the Senate hearings on S. 949, the State Technical Services Act. This measure enabled States to establish programs to bring the latest developments in science and technology to the doorstep of local business and industry. The expected resultant benefits will be increased production, greater efficiency, an improved competitive position in world trade, and a healthy realization that our Nation's research and development programs must be less dependent on our national defense expenditures.

It is not the purpose of this legislation to support scientific research or industrial research, nor is it concerned with developing proprietary products or processes. Its purpose is to promote wider use of the result of research which has already been done or will be done in the future. General Electric and Du Pont can look after themselves, but locally operated business and industry are often ill-equipped and lack the experience to take advantage of new developments.

Technological improvement is a very complex process. It does not occur overnight. It is made more difficult by the risks inherent in innovation. It is also costly, particularly since the cost of basic research and development is rising more rapidly than the price of manufactured goods.

In a modern industrial nation such as ours, technical activity and economic well-being seem to go hand in hand. With the results of so much expensive research being inefficiently used throughout the country, it is easy to see why imbalances have developed and why

there is now a national need for a program to spread the results of science and technology for all regions, industries, and businesses.

This process of technological dissemination will be conducted in most States by the universities most suited for it, rather as has been done so spectacularly in this century by the Agricultural Extension Service through the land-grant colleges. The universities would work within a State-prepared 5-year plan outlining the technological and economic prospects of the State, and the major regional industrial problems faced.

I was particularly pleased that the Commerce Committee adopted my suggestion that clarification was needed in the relationship between community operated services and the administration of the act. As I pointed out to Secretary of Commerce Connor at the Senate hearings, it would seem rather strange that we should make efforts to improve the efficiency and effectiveness of private business with the use of public funds, without offering that same opportunity to public business and services, such as port and dock facilities, community-owned power and water, and airports. Language has been incorporated into the act and the committee report which makes it clear that while it is not anticipated that such activities will become dominant in the State programs, the bill would authorize technical services to the public facilities.

CASPER TROOPERS WIN WORLD OPEN DRUM AND BUGLE CORPS COMPETITION

Mr. SIMPSON. Mr. President, on August 21 a group of 130 young people, organized only 8 years ago as the Casper Troopers Drum and Bugle Corps, won the international recognition that they so richly deserve when they captured the world open drum and bugle corps competition in Bridgeport, Conn.

Wyoming has had many occasions on which to be proud of the Casper marchers. They have captured honors in Las Vegas, Nev.; Seattle, Wash.; and in Colorado and Oregon, but the victory in Bridgeport, Conn., was what might be called the frosting on the cake.

To Casper contractor James Jones, who organized the corps as a nonprofit organization in September of 1957, the world championship was more than another accolade, however. Mr. Jones had a theory that the corps would be an excellent character building activity for Casper young people and a source of pride for the entire city and area.

The corps has proven to be everything that Mr. Jones envisioned. Not only has the group's precision and excellence won honors throughout the country, but, as the Casper press has pointed out:

No regular member of the Troopers has ever been in difficulty with the authorities. They have traveled far and near piling up honors for themselves and their city and acting as ambassadors of good will.

Seven thousand Casperites turned out to greet the Troopers when they returned home triumphant September 2. They were feted at a gigantic welcome home program at Natrona County High School. As a full 2-page advertisement in the Casper Star-Tribune of September 2 pointed out, "Casper and Wyoming are proud of your world championship."

Mr. President, for a city no larger than Casper—a city of some 40,000—to produce a 130-member marching unit that can capture world honors is truly phenomenal. It attests, not only to what Casper's Mayor Patrick Meenan called the city's "mutual admiration society"—Casper is the type of city that demands and gets excellence—it speaks volumes for Director Jones and particularly for the caliber of the young people found in a State that places a high premium on ability, initiative, resourcefulness, and decency.

I ask unanimous consent Mr. President, that press dispatches from the September 2 and September 3 Casper Star-Tribune, plus a list of the young men and women who comprise the Casper Drum and Bugle Corps, be printed in the RECORD.

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

[From the Casper (Wyo.) Star-Tribune, Sept. 2, 1965]

TROOPERS PERFORM TONIGHT

Welcoming home ceremonies for the Casper Troopers will begin promptly at 8 p.m., Thursday evening at the Natrona County High School stadium with a performance by the Trooper cadet color guard, according to Jerry Hanson, assistant manager of the Casper Chamber of Commerce.

Immediately following the color guard's performance, the cadet drum and bugle corps will perform. Then at 8:25 p.m., the cadets will play "When the Saints Come Marching In," and the world champion Casper Troopers will march onto the field and demonstrate a few of their championship formations, Hansen said.

Following the Troopers' performance, Jim Jones, Troopers staff director, will receive, in behalf of the Troopers, a gold key to the city of Casper from Mayor Patrick Meenan.

Mayor Meenan and Secretary of State Thyra Thomson will each offer their congratulations to the Troopers, following the presentation, Hanson said.

The ceremonies will be brought to a close about 9 p.m., with the performance that brought the Troopers the championship.

(By Jack Fairweather)

"Mrs. Nixon and I shall always have the most happly memories of our snow-capped visit to Casper earlier this month. The splendid performance by the drum and bugle corps was certainly a highlight of the visit for us."

This excerpt from a letter by the then Vice President Richard Nixon to Jim Jones, director of the Casper Troopers Drum and Bugle Corps in November 1960 is just one of many congratulations and honors received by the corps prior to and since the Nixon campaign stop.

The dream child of Jones, a Casper contractor, the corps was organized and incorporated as a nonprofit organization in September 1957.

The purpose of the corps as originally described by Jones was to provide a character-building activity for Casper young people which would be a source of pride for the entire city and area.

Jones and his Troopers, now numbering 130, have accomplished this and more.

No regular member of the Troopers has ever been in difficulty with the authorities. They have traveled far and near piling up honors for themselves and their city and acting as ambassadors of good will.

On August 21 they put the finishing touch on their 8-year campaign to reach the top. They won the world open drum and bugle corps competition in Bridgeport, Conn.

Today the Troopers are on their way home and tonight they will receive a well-deserved welcome by officials of their State and city.

Their homecoming started this morning in Sioux City, Iowa, where they received an honorary police escort from Morningside College to the city limits.

The Troopers have returned home triumphant several times in the past but this evening's welcome at the Natrona County High School auditorium is expected to surpass anything in past years.

The Troopers bus will be met in Lusk at 6 p.m. where the corps will take time out for a chicken dinner, courtesy of Rex Canfield of the Red Barn Restaurant.

At 8 p.m. the world champions are due to arrive at the NCHS stadium where Secretary of State Thyra Thomson and Casper Mayor Patrick Meenan along with an expected 5,000 Casper residents will officially welcome them home.

As the Troopers disembark from the buses they will perhaps recall past welcomes in the wake of victories at Las Vegas, Nev., Seattle, Wash.; Denver; University of Colorado and Portland, Oreg. But tonight will, no doubt, be the one they'll remember the best.

The feeling of Casperites for their drum and bugle corps is summed up by the contributions of many persons who worked to organize this evening's activity.

Pacific Power & Light Co. donated the power for the use of the lights at the stadium, Casper Neon Sign is furnishing the labor and the talent to prepare a welcoming sign, the Mustangs gave up their crucial last practice before their first game of the football season and of course many, many people have worked on the arrangements for the welcome.

The "welcome home" program gets underway at the NCHS stadium tonight at 8 o'clock. The public has been urged to arrive early and bring their best cheering voices with them.

The Casper Star-Tribune has printed extra copies of today's paper as a service to Trooper's parents and fans who will want to save the two-page "welcome home" tribute to the corps.

[From the Casper (Wyo.) Star-Tribune, Sept. 3, 1965]

SEVEN THOUSAND FILL STADIUM TO GREET TROOPERS

A roar went up from 7,000 throats when the world champion Troopers stepped off their buses at Natrona County High School Stadium last night.

The crowd had been entertained by a sparkling performance by the Trooper cadets for more than a half hour before the A corps arrived. When the buses arrived the cadets played "He Holds the Whole World in His Hands" when the Troopers arrived at the stadium.

The convoy of two buses and a truck had been met at the State line by a highway patrol car, which took them to Douglas, where they changed to their performing uniforms. There more highway patrol cars met them to bring them on into Casper.

Just on the Casper side of where the four-lane highway starts, the party was met by several cars from the city police and by the city manager, who accompanied them to the stadium.

The color guard gave a performance after they got off the buses. The Troopers drum and bugle corps then joined the color guard to give a flawless performance of the routine that had won for them the world championship.

The welcoming chant that went up when the Troopers arrived was simply, "Welcome Home, Troopers," repeated over and over again.

Both Secretary of State Thyra Thomson and Mayor Patrick Meenan reflected the pride of Wyoming and Casper in the achievements of the Troopers.

Mrs. Thomson said, "Welcoming home the world champion Troopers and Jim Jones is a proud occasion for all Wyoming. They have brought honor and glory to themselves and to the entire State."

Mrs. Thomson added that it was with tears in her eyes and pride in her heart that she was able to be there to welcome them.

Meenan told the group, "We have a mutual admiration society. Casper is the type of city that demands and gets excellence. The Troopers are too talented to knock themselves out for anything but a top-notch city."

"It is in tribute to you that we all turn out this way," Meenan continued. "It is the way a grateful community expresses itself."

He told the Troopers he hoped they would live their future lives by the same standards of excellence they had observed in the Troopers.

Bill Shutts was master of ceremonies for the occasion. He gave a commentary on the achievements of the group while they were on tour of the East. Shutts also praised Jones and his devoted leadership of the Troopers over the past 8 years.

After the ceremony, Mrs. Thomson was taken to the airport by the highway patrol to catch the late commercial flight to Cheyenne. There was anxiety over her being able to catch the plane, as the Troopers were late in arriving. But the plane she was taking was delayed at Riverton, and she arrived at the airport in good time.

Parking was at a premium around the stadium, and cars were jammed into any nook or cranny available for blocks around. Many people despaired of getting into the stadium and sat in their cars to listen to the ceremonies on their radios.

Many remarks passed around among the welcomers regarding the stamina of the Troopers in making the long trek from Sioux City, Iowa, Thursday and still giving a superb performance on their arrival here.

Well, they're here, now—tired but flushed with success—and ready to join in the long academic year ahead.

THE CASPER TROOPERS DRUM AND BUGLE CORPS

COLOR GUARD

Cathy Anderson, Barbara Baker, Edie Booth, Virginia Bush, Michelle Charbonneau, Susan Cunningham, Janet Ferrell, Sharon Garrison, Becky Haley, Laurel Jones, Kathy Jones, Vickie Jones.

Florence Lau, Sandy Maxon, Rhonda Murray, Barbara Rinker, Billie Jo Santistevan, Mary Schneider, Mary Shea, Jo Ellen Williams, Donna Knobel, Evet Weeks.

DRUM MAJOR

Pete Emmons.

DRUMS

Eddie Bostwick, Dennis Dusel, Johnny Patterson, Ruth Anne Smith, Bill Bailey, Bob Kalkofen, Fred Sanford, Jim McDaniel, Gary Shockey, Dan Wilson, Lucy Gerdom, Norman Kindt, Eileen White.

SOPRANOS

Paul Boyer, Terry Carr, Bill Fyock, Bob Holland, Ron Kalkofen, Rick Lemke, Barry Miller, David Ramsey.

John Shea, Jim Wade, John Belz, Kandra Carr, Allen Goodrich, Steve Kildow, Jim McIntyre, Vern White, Tom Anderson, Carolyn Bailey, Dick DePaemelere.

FRENCH HORNS

Pete Banta, Tom Dodson, Bill Garner, Lloyd Banta, Dick Hinerman.

BASS

Ken Davis, Ray Maxon, Walt Heath, Randy Murray, Greg Carr, Blaine Gillingham, Jim Herdt, Jake Johnson, Brett Carr, Mike Carr, Dean Jackman.

CONTRA BASS

Ted Booth, Nick Krause, Gary Priess.

STAFF DIRECTOR

Jim Jones.

BEYOND LOS ANGELES

Mr. MONDALE. Mr. President, many of America's most influential columnists and reporters, and many Senators on this floor, have spoken of the urgent need for action to avert further catastrophes like the rioting last month in Los Angeles. I myself discussed this matter at length in my floor statement of last August 17.

Today I would like to call the attention of the Senate to one of the most illuminating discussions I have yet seen on the immense challenge which lies before us, a column by Richard Wilson in the Washington Star of August 20, entitled, "The Next Step: Erasing the Intolerable."

Mr. Wilson says:

One can wring one's hands over the riots, speak of the need for respect for law and order, or deplore the animalistic and criminal impulses that sent the pillagers and arsonists careening through the streets.

But, he adds:

The point is that the safety and welfare of the whole community depends upon improving the conditions of life in those immense areas of our big cities—and small ones, too—where existence is becoming increasingly intolerable.

Our effort to improve these conditions, Wilson states, must be "direct and prompt." He cites the need for "massive programs for improved education and for keeping Negro children in school," better housing, relief from overcrowding, beautification and cleaning up, and strong efforts "to restore the stability of Negro family life and use welfare programs constructively instead of destructively."

Mr. President, I ask unanimous consent that this fine article be given the wide circulation it deserves through its publication in the RECORD.

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

NEXT STEP: ERASING THE INTOLERABLE

(By Richard Wilson)

All through this long hot summer, and weeks before the rioting in Los Angeles, President Johnson has had task forces at work on the problem of the Negro in the city.

New legislation is being prepared on cushioning the shocks of population shifts into cities that cannot fulfill the hopes and aspirations of Negroes who are moving into them. The President has said that he considers the problem of the Negro in the city one of the two or three most important matters to be taken up in Congress next year. It may be the most important.

Evidently the President has some new measures in mind to improve educational opportunities for Negroes, and to cope with the increasing crime, disease, and social and family breakdown which are so characteristic of large urban Negro concentrations in virtually every city of the country.

We are quite clearly passing out of the stage of guaranteeing and enforcing, even by unconstitutional methods, the constitutional rights of Negroes and moving into the second stage of directly addressing the social, human, and emotional aspects of the Nation's most difficult domestic problem.

This would have happened without the Los Angeles riots. One can wring one's hands over the riots, speak of the need for respect for law and order, or deplore the animalistic and criminal impulses that sent the pillagers and arsonists careening through the streets.

One can say that the Reverend Martin Luther King has opened Pandora's box, or go along with the sociologists in finding that the seething discontent in the cities is attributable to the widening gap between newly aroused Negro expectations and stark Negro reality. This is all beside the point. The point is that the safety and welfare of the whole community depends upon improving the conditions of life in those immense areas of our big cities—and small ones, too—where existence is becoming increasingly intolerable.

These conditions would have existed and do exist without relation to enforcing the constitutional and legal rights of Negroes, or any broad concepts of social equality, or any dream world of universal intermixture and brotherhood. Every metropolitan area in the country has a rotten heart of poverty and degradation, a locus of violent crime and disorder that threatens the existence of the city itself—the place where so many millions must work and make their livelihoods whether of not they reside there.

These festering centers of the great cities have grown and continue to grow beyond the capacity of local authorities to control or improve them. No large city in the United States has enough competent police to control crime, nor enough competent welfare workers or preachers or doers-of-good to repair the shattered fabric of Negro family life in the city.

Nor will a statute book full of laws guaranteeing the right to vote, the right to go into all public places, the right to equal education, the right to equal employment opportunity, the right to live where one pleases remove the rotten heart of our cities. In many cities where conditions are the worst, Negroes have had full constitutional rights for many years.

The approach will have to be direct and prompt. It means massive programs for improved education and for keeping Negro children in school. It means massive efforts to restore the stability of Negro family life and the use of welfare programs, constructively instead of destructively.

It means physical improvement of the areas, most of all relief from overcrowding, poor sanitation, rat infestation. It means beautification and cleaning up.

Housing must be improved; it is absolutely intolerable. Order must be maintained and that means more police, whether white or Negro.

The experts will tell you that the answer does not lie in abandoning these areas of Negro concentration and dispersing the residents throughout the community at large in our generation or the next. We cannot wait for that, it will be too slow coming.

It is the unfortunate truth that the Negro ghettoes will continue to exist, and conditions in them will grow worse, for many years to come unless determined action reverses the trend.

The cities themselves seem unequal to the task without Federal help, inspiration and direction, and that appears to be the next stage in addressing the problem.

PHOENIX PROGRAM TO ENCOURAGE RESPECT FOR POLICE

Mr. FANNIN. Mr. President, recent tragic events have called attention to an alarming national trend of growing disrespect for law enforcement officers. In some cities this has resulted in an active campaign to discredit policemen in the legitimate performance of their duty.

My home city of Phoenix, Ariz., has recognized this problem, and I am pleased to report that the city has moved promptly and intelligently to combat the trend. They have instituted a cooperative program involving city officials, the public schools, and the courts.

Regular tours of the police department by students will acquaint them with the importance of the law enforcement and crime prevention function. In addition, persons who abuse policemen, either orally or physically, will be vigorously prosecuted, and the courts will be asked to crack down on convicted offenders, including juveniles.

This new program for Phoenix was outlined in a public statement on August 12 by Mayor Milton H. Graham, and I believe it is a commendable example which other cities may wish to follow.

In order that it may receive the wider attention it deserves, I ask unanimous consent to have the statement by Mayor Graham printed at this point in the RECORD.

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

STATEMENT BY MAYOR MILTON GRAHAM, AUGUST 12, 1965

The city of Phoenix will initiate steps immediately to increase a proper respect for law and order among citizens in the community and to fight locally the nationwide trend of growing disrespect for policemen employed to keep law and order.

During the past few weeks, the city manager, the police chief, and I have been working on the development of programs to achieve greater respect for the police and the work they do. These programs, which will require the cooperation of the courts and the schools, will include:

1. A revamped public relations program designed to give high school students a greater understanding of the police department's work and its role in the community.

2. Persons who orally or physically abuse policemen, while they are carrying out their duties will be prosecuted.

3. The courts, including the juvenile court, will be asked to cooperate in cracking down on the offenders.

A cooperative program will be worked out with the high schools to emphasize community citizenship. As part of this program, we want the high schools to schedule regular tours of the police department facilities to get a better understanding of the importance and complexity of the police officer's job. We think that one of the best ways to accomplish this is by showing the students the tools the police work with—such as the crime laboratory, the communications system, and the jail facilities.

We are not going to have law-abiding adults, who respect the police officers of our city, if we can't somehow educate our young people to treat them with respect.

The idea of youngsters fighting with the police, jumping on their backs, throwing things at them, and then being able to brag to their friends about how bold they are and how they get away with it, has to become a thing of the past.

Phoenix police have been tolerant and usually have not sought to prosecute persons who used vile and obscene language toward the police officers in the presence of women and children. Nor have the police brought charges against persons who have engaged in nonviolent-type physical contact with officers.

I'm hoping we can create a climate in our community that will let law offenders know that our police are going to be treated properly, are not going to be pushed around, and are not going to bear the brunt of vile language.

One reason it has been difficult for the city to get high caliber policemen is because that qualified applicants know that police in too many instances are not treated with the respect due them.

If we can get the cooperation of the judges, and I have every reason to believe we can, the police chief will instruct his men to prefer charges where they think they will hold up in court. Both adults and youths will be prosecuted when possible if they abuse police officers, either verbally or physically.

The juvenile court has assured us that it will deal severely with young people who abuse policemen.

A lack of respect for parents and for teachers eventually shows up in a lack of respect for police authority. This, then, leads to a breakdown, not only in the moral fiber of the community, but grows like a cancer to eventually end in riots and ineffective police control. We can't sit back and let this type of deterioration get a foothold in our city.

Disrespect of law and order and police officers has become a national problem. We must take note of it now and take necessary steps to correct the situation.

I'd rather that we deal with a few isolated cases now than be faced with the problems that the police in our large population centers, such as Los Angeles, Washington, Chicago, and New York have been faced with.

EXPORTS AND CREDIT

Mr. HARTKE. Mr. President, on Friday, September 3, the Wall Street Journal carried a story on its front page which provided a full-scale review and analysis of the rapid expansion of credit financing of U.S. exports of manufactures. The article, written by Roger W. Benedict, noted that in the past 5 years American companies other than banks had more than quadrupled their holdings of short-term export paper from foreigners. Mr. Benedict continued:

Only slightly smaller gains were recorded in export credit by banks. The credit increase far outstrips the growth in export shipments themselves, which climbed a much smaller 55 percent during the same 5-year period.

The plain fact is, Mr. President, U.S. sales abroad are coming more and more to be made on terms competitive with domestic sales. And those terms mean credit—not cash—must be used if American manufacturers are going to be able to compete in the world market. Country after country around the world has realized the critical importance of providing adequate and expanding government support and encouragement of export financing. Only in the United States are exporters faced with restrictions upon their ability to obtain export financing—although continually rising exports are vital if we are to maintain the massive trade surplus that is fundamental to equilibrium in our balance of international payments. And the truth is that in the past 7 months U.S. exports have stagnated. U.S. imports have risen sharply, and the U.S. trade surplus—at annual rates—has narrowed by $2 billion.

As the article reports, export credits are given top priority under the Federal Reserve System's restrictions on bank loans to foreigners. But as the article also reports:

Nonetheless these restrictions * * * may well slow the growth in export credit this year.

To get around the restrictions, in fact, many companies are beginning to fall back on their own working capital to finance foreign sales rather than turning to banks for such financing.

The clear truth is that our Government is the only one among the industrial nations which is not actively expanding the availability of credit to exporters, that the policy of including export credit under the voluntary program of restraint on foreign lending is both shortsighted and self-defeating, and that the stagnation of U.S. exports this year must be reversed if the success of the President's emergency balance-of-payments program is to be undermined and wiped out.

I ask unanimous consent to insert the Wall Street Journal article entitled "Manufacturers Boost Foreign Sales by Easing Restrictions on Credit," in the RECORD.

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

[From the Wall Street Journal, Sept. 3, 1965]

EXPANDING EXPORTS—MANUFACTURERS BOOST FOREIGN SALES BY EASING RESTRICTIONS ON CREDIT—COMPANY HOLDINGS OF FOREIGN NOTES QUADRUPLE SINCE 1959; INSURANCE HELPS CUT RISKS—WORKING WITH THREE SETS OF BOOKS

(By Roger W. Benedict)

United States exporters, long timid about selling on credit to foreign buyers, are increasingly being forced to reverse course.

The pressure is coming, not surprisingly, from astute marketers in other free world countries who are intent on expanding volume outside their borders and are finding credit is an almost irresistible sales lure.

"Credit is becoming as important to making an export sale as the price of the product," asserts Matthew Provenzano, credit manager of Jefferson Chemical Co. in Houston. He reports his company is extending more export credit and granting longer terms to meet competition. Altogether, he estimates Jefferson's export accounts receivable in the past 3 years have risen 21 percent faster than the growth in total foreign sales.

At the beginning of this year, American companies (other than financial institutions) held $2.7 billion of short-term paper from foreigners, more than four times the $593 million they held 5 years before. Only slightly smaller gains were recorded in export credit by banks. The credit increase far outstrips the growth in export shipments themselves, which climbed a much smaller 55 percent during the same 5-year period.

ROLE IN PAYMENTS DEFICIT

The rising use of credit has helped spur a rapid growth in exports, a strong plus in the Nation's efforts to reduce a persistent balance-of-payments deficit. With this in mind, the Federal Reserve Board granted such credit top priority when early this year it called for voluntary restrictions on foreign lending by U.S. banks. The restrictions are aimed at holding foreign loans to no more

than 5 percent above the total on last December 31.

Nonetheless, these restrictions—plus the crippling effects of the now-ended dock and ship strikes—may well slow the growth in export credit this year, but exporters say any slowdown is certain to be temporary. They argue the use of credit is so essential to overseas selling that it's bound to grow.

To get around the restrictions, in fact, many companies are beginning to fall back on their own working capital to finance foreign sales rather than turning to banks for such financing. "We carry our own paper on export sales, and I think this is true of most big companies these days," says Louis Candee, credit consultant for Witco Chemical Co. in New York City. "We don't expect the Government's voluntary restrictions to slow the export credit trend. We're certainly not going to lose export business because of inability to extend longer terms. We'll find ways to do it, and others should be able to do the same."

BILLING ON "OPEN ACCOUNT"

What's more, U.S. exporters are increasingly selling and billing foreign customers directly on open account, the same as they do with nearly all domestic buyers. On such selling, the goods or services are simply charged to the customer's account for payment at some future date. Its use in overseas transactions is in marked contrast to the traditional practice of requiring confirmed and irrevocable letters of credit, under which the customer's foreign bank and the exporter's U.S. bank assume the risks and guarantee payment. These letters of credit are more secure ways of doing business, but they are costly, time-consuming and irksome to many foreign customers.

"Until a year ago, we were only selling open account overseas to our own distributors," reports Kenneth H. Knox, credit manager for Tektronix, Inc., Beaverton, Oreg., manufacturer of electronic test instruments. "Now we're selling nearly half of our export volume that way, and it's working out well. It has definitely gained us new customers, particularly in Latin America, where the cost of money is often the difference between a customer buying or not buying."

Extension of longer credit terms and assumption of more direct credit, of course, requires a sharp increase in the amount of credit checking U.S. firms must do overseas, and many are finding the field has its own special hazards. "In West Germany, companies keep one set of books for the government, another for their banker, and still a third for themselves," reports one New York banker. Adds the president of a small leather goods company: "When we checked up on a potential customer in Nigeria who was ordering $3,000 worth of leather on credit, we found his assets totaled just $25." The credit manager of a Houston manufacturing company says ruefully, "One of our Latin American customers paid our bill to his bank on time, but the bank went bankrupt."

BAD DEBT LOSSES ARE LOW

Despite such problems, bad debt losses in foreign countries remain remarkably low. J. Stewart Gillies, director of the Foreign Credit Interchange Bureau, New York, which collects overdue debts for 1,500 U.S. exporters, says, "Our volume of uncollected bills never runs over $1.5 million, and for most U.S. companies foreign credit losses are infinitesimal."

On top of worrying about the customer's credit status, exporters must also ponder the political and economic stability of the country in which a customer is located.

"Nine times out of ten, foreign customers are willing to comply with terms of an export transaction, but getting your money out of some countries can be a problem," says Leo E. Kucera, general credit manager for Consolidated Foods Corp., Chicago. "Restrictive currency regulations, changes in exchange rates, and internal political troubles can raise havoc."

But U.S. exporters are getting some important protection against such adverse developments from an insurance program set up 3 years ago. Provided jointly by the Government's Export-Import Bank and by the Foreign Credit Insurance Association, a voluntary group of more than 70 stock and mutual insurance companies, the program covers exporters on up to 85 percent of their loss from any commercial risk and up to 95 percent on losses from political cause such as expropriation.

About 3,100 companies currently are insuring export loans with the Foreign Credit Insurance Association, double the 1,549 at the start of last year, and insurance in force has climbed to more than $1.5 billion from $660 million during that time, says Henry Sheehy, the association's president. He predicts 10,000 companies will be participating by 1970.

This Government backing is helping U.S. exporters better compete against West German and British firms that have had such coverage for many years, but Mr. Sheehy says U.S. companies still aren't making enough use of export credit. "U.S. companies had it so good so long in foreign markets, they are just beginning to realize the need for credit terms in foreign trade," he asserts.

Certainly most companies who have relaxed credit restrictions on foreign selling seem enthusiastic about the results. George E. Gaba, credit manager of J. P. Stevens & Co., New York textile maker, says that since it began making open account sales to foreigners in 1963 it has had no credit losses on the transactions. "We now sell on open account in Scandinavia, Germany, France, and Israel and we're lengthening terms in other countries," he says. "For instance, we're giving up to 120 days in Italy now, compared with payment on delivery a few years ago."

But the remarkably low ratio of losses in foreign selling doesn't mean U.S. companies haven't experienced some credit headaches, particularly in sales to Latin America. Notes an Atlanta banker: "You just have to expect a normally higher rate of delinquency on paper outstanding in Latin America, because companies down there are continually short of working capital, and are also slow to collect their own receivables. So they just take a free ride on the exporter's capital as long as possible."

Insisting on prompt payment isn't always the solution. Filing of a formal protest for slow payment is considered in many countries to be the equivalent of an involuntary bankruptcy proceeding, and almost certainly would cost the exporter a customer. Some exporters try to speed payments by charging interest for late payment, but this has hazards, too.

"Charging interest on overdue export drafts is just an invitation to foreign buyers to delay payment still longer," says Sylvester F. Majestic, vice president of Chemical Bank New York Trust Co. "After all, 6 percent is darn cheap interest in most foreign countries. We don't like drafts going beyond the due dates and insist on prompt payment."

Perhaps the greatest roadblock to extension of more export credit in many countries is the fact that foreign governments often insist on letter-of-credit transactions to better control currency and trade.

"We could treble our sales of commercial aircraft overseas except for restrictions foreign countries place on use of credit due to their dollar-shortage problems," reports Frank A. Boettger, senior vice president of Cessna Aircraft Co., Wichita. "The less-developed countries that could most use airplanes, due to lack of roads and railways, usually bar use of credit, and that greatly reduces the number of potential buyers."

THE PRESERVATION OF WEST POTOMAC PARK

Mr. CASE. Mr. President, Secretary of the Interior Stewart L. Udall is the little boy who saw that the king had no clothes on. From now on no one can any longer make believe that the king is fully dressed. Of course, it should have been clear to everyone all along that when you take park land—or any other publicly owned land—worth x dollars and spend y dollars building a road on it, the real cost of the new road is x plus y dollars.

But the roadbuilders have been insisting so long and so loudly that the cost of such a road is only the y dollars, that they have persuaded themselves and a good many others that this is so.

Of course, it is not so.

The full value of any land, including any park land, taken for a road is just as much a part of the cost of the road as is the cost of labor, or of materials, or of engineering, or any other out-of-pocket expenses.

And the public is paying both costs, the one consciously, the other in great part without realizing it. Too many people have shared the infant innocence of Housman's poem:

> The grizzly bear is huge and wild;
> He has devoured the infant child,
> The infant child is not aware
> It has been eaten by the bear.

Therefore, I welcome Secretary Udall's recent proposal that the interstate highway between the Lincoln Memorial and the 14th Street Bridge be put wholly underground.

And I especially applaud Secretary Udall's unanswerable demonstration that the real cost of the new highway in the tunnel would be less than if it were built on the surface through Potomac Park. The Secretary's point is simply that in calculating the real cost of the new highway full account must be taken of the far greater acreage of park land which would be required by the Highway Department's proposed surface road, as well, of course, as of the value of the land now covered by existing roads which under both plans would be restored to the park.

The Highway Department argues that its surface road plan must be chosen because its construction cost is only $40 million compared with $58 million of construction cost for Secretary Udall's tunneled road.

But the Highway Department's surface road would take from the park 8.1 net acres of present park land worth, according to the Secretary, $13 million, making the real cost of the Highway Department's road $53 million.

Secretary Udall's tunneled road would restore to the park 9.7 acres more than the small amount of park land it would actually use. The value of this acreage restored to the park is $17 million. So the real cost of the Secretary's tunneled road would be reduced to $41 million.

Secretary Udall's tunneled road would actually cost the public $12 million less by any reasonable standard of accounting. And it would save the park as well.

Fortunately, Secretary Udall—subject only to the approval of the National Capital Planning Commission, which has demonstrated its lively sense of the vital importance of our Capital City's parks—has full legal authority to insist on his position. He could, of course, be overruled by the President, but it is inconceivable that President Johnson, who has so admirably launched the "Beautify America" campaign, would in this crucial test fail to support his Secretary of the Interior.

Secretary Udall has pointed out that areas of Potomac Park already occupied by recent interstate highway projects for the approaches to the Theodore Roosevelt Bridge, the 14th Street Bridges and the Washington Channel Bridge total 37.3 acres, valued by the Secretary at almost $70 million. No compensation to our city's park system has been made for any of this land. It is none too soon to apply the principle for which I have long been contending; namely, that if park land is to be taken anywhere for highways or any other purpose, at least the dollar value of the land so taken must be fully accounted for.

But, though the hour is late, the Secretary's proposal can still save what remains of Potomac Park.

U.S. POLICY IN VIETNAM

Mr. CANNON. Mr. President, in recent weeks we have all heard public assertions that U.S. policy concerning Vietnam has taken a swift and dangerous turn. Some Americans would have us believe that the course we are pursuing in that beleagured country was born in February of this year when air strikes were initiated on a regular basis against North Vietnam.

While the pace of our response to Communist aggression has been stepped up, our commitment to respond by all necessary means is not of recent origin. It stretches back to the early 1950's when we provided military assistance to the French, who in those days were militarily engaged in Indochina.

The implications of a Communist takeover were well realized then, as they are today. In June 1953, former President Eisenhower warned those who would have us disregard the fortunes of the small nations of southeast Asia:

> There is no free nation too humble to be forgotten. All of us have learned * * * that all free nations must stand together, or they shall fall separately.

President Eisenhower went on to state that to surrender Asia would mean leaving a vast portion of the population of the world to be mobiiized by the forces of aggression.

In a similar vein, John Foster Dulles, then our Secretary of State, observed a month later:

> The situation in Indochina today represents one of the most serious present threats to the free world.

Upon reflecting on these statements, one gets the eerie feeling that both speakers were describing the situation that prevails today—more than 12 years later. Vietnam is still a small humble nation and the threat to its freedom from Communist-sponsored insurgency continues to be the most serious immediate threat to the free world. But the important thing to remember, 12 years later, is that it is still free.

Each succeeding U.S. administration has had to answer for itself the difficult question of the worth of this freedom. All have come to the same conclusion. President Eisenhower affirmed this in the unilateral declaration of the United States following the signing of the Geneva Accords when Walter Bedell Smith, then Under Secretary of State, solemnly promised that the United States would view any renewal of aggression with grave concern and as seriously threatening international peace and security.

A more specific U.S. commitment was made in September 1954 when South Vietnam was included as a protocol state under the umbrella of the SEATO agreement. Consider, if you will, the wording of article IV of that treaty:

> Each party recognizes that aggression by means of armed attack in the treaty area * * * would endanger its own peace and safety, and agrees that it will, in that event, act to meet the common danger * * * at the request of the government concerned.

President Kennedy, 7 years later, faced the same question. He responded:

> We are prepared to help the Republic of Vietnam to protect its people and to preserve its independence.

This same promise has been stated many times over by President Johnson.

And so, the American policy of commitment to South Vietnam is woven from the pledges of three Presidents. But pledges are cheap unless backed up by concrete actions.

We can all be thankful that the United States has, over the years, matched words with deeds. To have done otherwise would have destroyed our national integrity.

Between 1953 and 1961, we provided the Government of South Vietnam almost $1.5 billion in economic aid and a comparable amount in military assistance. U.S. economic and military missions have been present in Vietnam since the days of the French. The amount of monetary assistance provided, and the number of U.S. personnel sent, have increased in response to the mounting aggression from North Vietnam.

The theme of U.S. Presidents has been: We will provide all that is required to achieve our objectives.

What, one may ask, are these objectives? In 1955, the Assistant Secretary of State for Far Eastern Affairs stated them succinctly:

> What we want in Asia is what we want everywhere—a world made up of independent, responsible, democratic countries whose governments are devoted to the peaceful development of their own territory and to the welfare and freedom of their own people.

Almost 10 years later, Ambassador Taylor put it this way:

> We are not looking for anything for ourselves. We are not attempting to gain a military foothold on the Asian continent, we do not seek to widen the war. This war was started by the Communists, and it will end when they cease their aggression. * * * Our assistance to the Republic of Vietnam has cost the lives of many Americans. One must recognize that others will be lost before this effort is completed. But these sacrifices are being made in the knowledge of the far greater sacrifices which have been made by the Vietnamese people in their struggle to preserve their independence and to resume the progress toward well-being and prosperity which has been interrupted by aggression from the North.

What the future holds, none can say, but the words of the Assistant Secretary of State in October 1953 are just as apt now as they were then when he observed, referring to the French effort in the Red River delta:

> The future of the world is in the hands * * * of the infantrymen on the line * * * in the paddy fields.

Our policy of providing the support necessary to repel the aggression and enable the Republic of Vietnam to live in peace has been consistent and just, and is still right.

AMERICAN LEGION ENDORSES OBJECTIVES OF COLD WAR GI BILL

Mr. YARBOROUGH. Mr. President, for several years the American Legion has not taken a position on the cold war GI bill, mainly because the veterans who would benefit from this bill were ineligible for membership in this fine veterans' organization.

At the national convention of the American Legion during the last part of August of this year, the position of the American Legion changed. In their testimony before the House Veterans' Affairs Committee on September 2, 1965, on the cold war GI bill, the American Legion endorsed and pledged their support for the objectives of the cold war GI bill.

To illustrate their fine testimony, I ask unanimous consent that the statement made by John J. Corcoran, director of the National Rehabilitation Commission of the American Legion, before the House Veterans' Affairs Committee, and the resolution be printed in the RECORD.

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

STATEMENT BY JOHN J. CORCORAN, DIRECTOR, NATIONAL REHABILITATION COMMISSION, THE AMERICAN LEGION, BEFORE THE COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES, ON THE COLD WAR GI BILL AND RELATED PROPOSALS, SEPTEMBER 2, 1965

Mr. Chairman and members of the committee, thank you for giving us this opportunity to present the views of the American Legion on the bills now before you, which would provide certain benefits and services for cold war veterans. The American Legion endorses and supports the general objectives of those bills, and we urge your early, favorable action upon them.

For several years, our organization took no position upon proposals to expand the spectrum of benefits available to cold war veterans. Although frequently not understood, the reason was, I think, a simple and logical one. It was based upon the fact that the proposals related to persons who had not had war service. The American Legion has long adhered to the policy of not actively supporting legislation which would not directly affect war veterans. Thus, completely without regard to the merits of the proposals, we

declined to take a position on bills such as those now receiving your consideration.

All that has changed, Mr. Chairman. Circumstances, such as those that exist in Vietnam, now justify and, in fact, compel the American Legion to take an active part in seeking fair treatment for present members of the Armed Forces. And, again, the explanation is a simple one: we believe that the conditions which exist in certain areas of the world today are creating war veterans. Thus, we will actively support proposals aimed at benefiting those persons.

I do not find it surprising that our organization has concluded, even in the absence of a declared war, that current members of the Armed Forces are war veterans. The Korean conflict was not a declared war. On the other hand, the President of the United States, in a recent press conference, referred to the conditions in Vietnam as a war. In short, Mr. Chairman, it appears that the term "war" has taken on a new and unconventional meaning. While we hope and pray that there will never be another general war in the conventional sense, we must not close our eyes to the combat conditions that widely prevail, the hostilities that are taking place, and the acts of warfare being committed. Nor can we ignore the fact that our servicemen are being subjected to special disciplines and special deprivations; we have assigned them to special obligations, duties, and hazards. They have earned special consideration by the Nation they serve.

In consonance with these considerations, our national executive committee, on May 6, 1965, approved the report of a special committee, the essential point of which was the conclusion that persons now serving in the Armed Forces are war veterans. In addition, our national convention, on August 26, 1965, approved resolution No. 125, which seeks an expansion of benefits for our servicemen. With your permission, Mr. Chairman, I would like to submit for the record a copy of resolution No. 125.

You will note that our resolution seeks additional benefits for persons who have served since August 5, 1964. That date relates to an incident which occurred in Vietnam. The Vietnamese theater was selected, rather than some other post-Korea campaign or expedition, because of the size and scope of the combat activity there. August 5, 1964, was selected on the grounds that, prior to that time, our function in Vietnam was advisory and our military operations defensive. As a result of aggressive acts of war committed against us in the Bay of Tonkin on August 5, however, the nature of U.S. military activity changed. Consistent with long-established Legion policy, we feel that, with respect to any additional benefits made available by Congress, all persons who serve after August 5, 1964, should be treated equally, regardless of place of service. We do not favor the "hot spot" concept.

You will note also, Mr. Chairman, that resolution No. 125 directs us to seek comparable benefits. That word was chosen deliberately because it was recognized that the possibility exists that we should not seek identical benefits. My staff and I have been instructed to study this matter and to recommend to the October 6, 1965, meeting of our national executive committee specifically what benefits, and in what degree, we feel ought to be extended. We returned to our office from the national convention on Monday, August 30, and we are, therefore, not yet prepared to comment. We will move ahead rapidly, Mr. Chairman, and I do hope the committee will permit us, as it always has, to offer suggestions as we crystallize our thinking.

I would like to express a personal opinion on one of the types of benefits being considered, the cold war GI bill. This readjustment benefit appears to be the most controversial and was singled out by the Veterans' Administration witness for special opposition. I cannot agree with the reasons advanced by the VA for opposing a cold war GI bill. VA testified that readjustment benefits should be limited to situations where wartime service sharply disrupted career planning and called for special Government aid to ease the transition from wartime service back to civilian life. The American Legion believes that the men who are serving in our Armed Forces have had both their career planning and their careers irreparably disrupted; they will lose years out of their lives that they will never be able to make up; they are serving under war-like conditions and, they deserve every help our Government can provide to ease their readjustment to civilian life.

The VA witness said, "we recognize that the present international situation is extremely delicate and that some of our servicemen are operating under combat conditions." It has been some time since I heard an understatement of that magnitude. It sounds like the statement of an agency whose opposition to attempts by this committee and the Congress to improve the veterans benefits program is becoming routine. It does not sound like the statement of an agency whose mandate is to be the spokesman for veterans and whose self-assigned mission is "to exercise constructive leadership in the field of veterans affairs." National Commanders and other representatives of the American Legion have visited our Armed Forces in Guantanamo, in West Berlin, in Strategic Air Command Headquarters, and in Vietnam. They would scarcely describe the situation as "delicate," nor would they conclude that only "some" servicemen are operating under combat conditions. The Veterans' Administration seems to be out of touch with what's going on in the outside world.

I would like to emphasize, Mr. Chairman, that I make no criticism of the VA personnel in the operating and program services, such as the Department of Veterans Benefits and the Department of Medicine and Surgery. Those people give every appearance of attempting to administer veterans laws in a generous and compassionate manner. In addition, in the past two decades, they have earned a reputation for innovation and creative thinking, both of which have substantially improved the veterans benefits program. My criticism is intended for those who influence and help establish national policy toward veterans; in short, the policymakers and the decisionmakers.

The witness for the Department of Defense opposed a cold war GI bill on the theory that it would induce men to leave the military service. The witness said that these men should be given assistance for education and training, but in a way which would not interfere with the mission of the Department of Defense. We believe, Mr. Chairman, that the argument that a readjustment law would induce men to leave service is speculative, and that it is questionable, in any event, whether there would be any substantial impact upon the Military Establishment. It would seem, also, that if there were an alternative plan to a cold war GI bill the Department of Defense would have found it by this time.

It is my personal conviction, Mr. Chairman, that there is sufficient justification for some kind of cold war GI bill. In this great country of ours, where our Government is trying so hard to do so much for so many, is there any group more deserving of special consideration than the members of our Armed Forces? The American Legion thinks not.

Thank you, again, for permitting me to present our views on this most important subject.

RESOLUTION No. 125

(Adopted at the 47th annual national convention of the American Legion at Portland, Oreg., Aug. 24–26, 1965)

Whereas the United States is now and has been for some time engaged in actions in various areas of the world to keep peace and preserve the freedom of friendly nations against aggression; and

Whereas American fighting men have been and are increasingly being subjected to wartime conditions, are suffering casualties and are dying in defense of freedom loving people everywhere; and

Whereas the conditions to which our servicemen are being subjected are similar to those which existed when certain rights and benefits were granted to those who served in World War II and Korea; and

Whereas the war veterans program is comprehensive, justified, and a proven program supported by the American Legion and the general public; and

Whereas on August 5, 1964, in Tonkin Bay off the coast of Vietnam aggressive acts of war were taken against U.S. warships which retaliated and since that time our country has engaged in conflict with hostile forces both in Vietnam and elsewhere: Now, therefore, be it

Resolved, by the American Legion in national convention assembled in Portland, Oreg., August 24–26, 1965, That the American Legion recognizes the sacrifices of our Armed Forces personnel who are defending the principles of freedom and democracy and that it shall sponsor and support a benefits program comparable to that available to other war veterans for those veterans who have served since August 5, 1964, or such other date as may be selected by the national convention.

OUTSTANDING WORK BY FARMERS HOME ADMINISTRATION IN MISSOURI

Mr. SYMINGTON. Mr. President, in Missouri we are particularly proud of the outstanding work being done by the Farmers Home Administration under the capable direction of J. Everett Jose, formerly a successful businessman with a broad background in farming and business services to farmers, and now our State director.

Mr. Jose and those associated with him in the Missouri office of the Farmers Home Administration work closely with farm leaders, business and civic leaders in Missouri, as well as with the farmers this agency was organized to serve. Because of that understanding and cooperation, Missouri at the end of fiscal 1965 had 99.7 percent of collections, as compared to matured installments, and the FHA in Missouri served 10,456 families in 1965, as compared to 5,876 in 1961.

With the thought that other States might be interested in the services possible under this fine program, I ask unanimous consent that a letter from Mr. Jose dated August 30, and a report on Farmers Home Administration loans made in Missouri, comparing the fiscal years of 1961 and 1965, be printed in the RECORD.

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

U.S. DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Columbia, Mo., August 30, 1965.

HON. STUART SYMINGTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR SYMINGTON: We are pleased to provide you with the enclosed data sheet showing the extent of the lending program of the Farmers Home Administration in Missouri for the fiscal year 1964–65 as compared with 1961–62. Our program continues to expand, primarily in the field of assisting rural communities, although loans to individuals also account for some increase.

Interest continues to build for rural water systems and we are presently working with 115 rural towns and communities which, if completed, will furnish running water to about 30,000 families. The part of the program that is surprising is that these systems have provided water to farmers in sparsely settled areas where it did not appear feasible nor possible in the past. Many farmers who have expensive systems of their own take water from these central systems without hesitation; in fact, it is very seldom that anyone who has the opportunity fails to avail himself of it. We have approximately double the applications we had on hand a year ago.

Missouri continues to lead the Nation in funds extended for real estate loans, although we exhausted funds for this purpose last April.

For the first time in several years, we have a substantial increase in the amount loaned to farmers for operating expenses. This is a result of severe drought over most of the State last year and, in some sections, for the past 2 or 3 years. Many farmers have had to substitute credit for income.

Our collection record is not quite as good as it has been in other years. Several water systems did not get in operation as fast as planned but all except one are now current. Collections from farmers were down some in the drought areas.

Twenty-five additional full-time employees were recruited, which alleviated somewhat the serious shortage of help which had built up over the past several years. One additional full-time office was opened at Richmond in Ray County.

We are extremely pleased that our rural housing program has been converted largely to an insured loan program and will be adequately financed for the first time. Congress has earned the undying gratitude of the people of this agency and thousands of rural residents by enacting this important legislation.

Sincerely yours,

J. E. JOSE,
State Director.

Farmers Home Administration loans made in Missouri—Comparison of the fiscal years ending June 30, 1961, and June 30, 1965

	1961		1965	
	Number	Amount loaned	Number	Amount loaned
Farmownership	119	$1,959,039	821	$11,406,350
Rural housing:				
Individual	416	2,759,657	789	5,887,030
Senior citizen:				
Individual	(1)	(1)	160	617,480
Rental	(1)	(1)	7	225,220
Soil and water:				
Association	(1)	(1)	29	3,340,000
Individual	10	22,350	39	125,070
Recreation association	(1)	(1)	3	1,042,000
Operating	2,727	8,985,620	2,432	10,194,740
Emergency	576	1,341,290	742	2,559,235
Economic opportunity	(1)	(1)	246	390,050
Grand total	3,848	15,067,956	5,268	35,787,175

	1961	1965
Unduplicated caseload (number of families with loans as of June 30)	5,976	10,456
Number full-time employees as of June 30	162	202

[1] Lending authorizations were not in effect in 1961.

NOTE.—Percent of collections as compared to matured installments, 99.7. Figures include initial and subsequent loans.

PRESIDENT EISENHOWER MADE THE ORIGINAL COMMITMENT TO SOUTH VIETNAM

Mr. CHURCH. Mr. President, the St. Louis Post-Dispatch is a newspaper which has expressed many reservations about U.S. policy in Vietnam. However, the Post-Dispatch does not question the fact that President Johnson inherited a commitment to South Vietnam, made during the time that Mr. Eisenhower served as President. Recently, the Post-Dispatch published an excellent editorial on the nature of President Eisenhower's commitment to South Vietnam. After discussing the certainty of this commitment, the Post-Dispatch concludes:

Thus we have always had a military commitment in Vietnam. What we have not had—and this may have been what General Eisenhower was trying to say—is a commitment to take over as our own a war against an indigenous revolution which only an indigenous government can fight.

President Eisenhower's offer of aid was conditioned upon the Saigon government's undertaking reforms that would make South Vietnam "a strong, viable state." The reforms were not carried out, the viable state was not created. In these circumstances, and after 11 years of massive aid, no moral obligation whatever requires the United States to escalate our commitment from one of assistance to one of sole responsibility for a major land war in Asia.

The national honor which President Johnson invokes has been fully satisfied by what we have done already. Today the objective of our military operations should be, not to win the total victory over the Vietcong which the Saigon regime could not win, but to bring about negotiations in which a reasonable political settlement, based upon the principles of the 1954 Geneva accords, can be worked out.

That is how President Johnson now describes his purpose. But he is under constant pressure to convert these limited objectives into the unlimited ones of war against North Vietnam, war against China, or war against communism. General Eisenhower could make his best contribution not by beclouding the origins of the Vietnam policy but by enlisting unequivocally behind the limited objectives proclaimed by the President.

I ask unanimous consent to have this editorial published at this point in the RECORD.

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

COMMITTED TO WHAT?

There is a legitimate question to be raised about the nature of the American commitment in Vietnam, but it is not the one raised by General Eisenhower when he briefly slid off the reservation last week.

General Eisenhower indicated to a press conference that, while he fully supports President Johnson's present policy, he had never intended to make a military commitment. His famous letter of October 23, 1954, to President Diem pledged "foreign aid," he said, but not military assistance. President Johnson has frequently quoted this letter to document his claim that he is carrying out pledges made by Presidents Eisenhower and Kennedy before him.

The facts of history do not support General Eisenhower's interpretation of the origins of the Vietnam adventure. His own memoirs amply document his readiness to become involved in military as well as economic aid to the Saigon regime.

Before the fall of Dien Bien Phu, President Eisenhower fully backed John Foster Dulles' effort to organize an international cover for American intervention in support of the failing French. That was Dulles' alternative to a negotiated settlement at the Geneva talks, which he did his best to scuttle. The Eisenhower administration gave up the alternative, not from any reluctance to engage American Armed Forces, but because neither the British nor the French, nor any other significant power, would join us in prolonging the war; and without such collective sanction Congress would not agree to it.

The record also shows that after a Geneva agreement was reached in spite of Dulles, the United States set out unilaterally to build up a military bastion in South Vietnam, thus destroying the neutrality envisioned at Geneva. As President Eisenhower said in his letter to Diem, the purpose of our offered aid was "to assist the Government of Vietnam in developing and maintaining a strong, viable state, capable of resisting attempted subversion or aggression through military means." This meant, inevitably, helping Saigon to fight a civil war. The great bulk of our aid was military, and it involved a growing number of American military "advisers," rising from 650 to some 2,000 during the Eisenhower administration.

Thus we have always had a military commitment in Vietnam. What we have not had—and this may have been what General Eisenhower was trying to say—is a commitment to take over as our own a war against an indigenous revolution which only an indigenous government can fight.

President Eisenhower's offer of aid was conditioned upon the Saigon government's undertaking reforms that would make South

Vietnam "a strong, viable state." The reforms were not carried out, the viable state was not created. In these circumstances, and after 11 years of massive aid, no moral obligation whatever requires the United States to escalate our commitment from one of assistance to one of sole responsibility for a major land war in Asia.

The national honor which President Johnson invokes has been fully satisfied by what we have done already. Today the objective of our military operations should be, not to win the total victory over the Vietcong which the Saigon regime could not win, but to bring about negotiations in which a reasonable political settlement, based upon the principles of the 1954 Geneva accords, can be worked out.

That is how President Johnson now describes his purpose. But he is under constant pressure to convert these limited objectives into the unlimited ones of war against North Vietnam, war against China, or war against communism. General Eisenhower could make his best contribution not by beclouding the origins of the Vietnam policy but by enlisting unequivocally behind the limited objectives proclaimed by the President.

PUBLIC CONFIDENCE IN THE JUDICIARY

Mr. LONG of Missouri. Mr. President, as a member of the legal profession, and as a member of the Senate Judiciary Committee, I am quite concerned about the confidence and esteem with which our citizens view their courts and the legal profession. Some time ago, the Missouri Bar and the Prentice-Hall Publishing Co. joined in a study to survey opinion among citizens to determine the regard in which they held our courts and the legal profession in general. The results of this study were discouraging and indicated that our courts, especially our lower courts, were held in much less regard than most judges and attorneys had imagined. The report indicated that public confidence in securing fair treatment and substantial justice increased with the level of the court involved. Unfortunately, local municipal and magistrate courts were found to be held in extremely low regard by persons whose views were determined by their own personal experience as a party or witness before such courts. The chief complaint of persons describing their experiences in municipal and magistrate courts was that they were treated, they felt, in an arbitrary and humiliating manner by a harassed judge or magistrate before a crowded court. These persons stated that the reality they experienced in these courts differed considerably from the traditional concepts of dignity, decorum and orderly procedure they were led by teachers, textbooks, movies, and television programs to expect if they should ever have occasion to enter a courtroom.

In the Washington Daily News of last Friday, September 3, there is described a recent incident involving a citizen who appeared as a witness in a case before the District of Columbia Court of General Sessions which may in part explain the results of the study which I have just mentioned. Because I am neither acquainted nor interested in the merits of the case as such which was before the court, I ask unanimous consent that the article be printed in the RECORD for such consideration as those interested in maintaining public confidence and respect for our judicial system may care to give it.

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

IS THIS WHY CITIZENS FEAR INVOLVEMENT?—YOU AGREE TO BE A WITNESS—AND THE JUDGE PUTS YOU IN JAIL

(By Ted Knap)

I agreed to be a witness for a peace demonstration—and wound up behind bars.

It was only for about 15 minutes—until the judge found out I was a newspaper reporter—but it still was frightening.

I keep wondering how long I would have been held if I hadn't been a newsman.

PEACE PICKETS

This begins Monday, August 9, when I covered the demonstration and subsequent arrest of nearly 300 Vietnam peace pickets at the foot of the Capitol Grounds. One of those arrested was Miss Jacqui Broucharde, 25, of New York whom I had been interviewing.

Last week, an attorney from the American Civil Liberties Union called and asked if I would be willing to testify about Miss Broucharde's conduct when arrested. I said I would.

FALSE ALARM

First, I was called to court Wednesday afternoon. That proved a false alarm, but I wasted only an hour and two cab fares.

Next, I was summoned yesterday, arriving before 3 p.m., Judge Edward A. Beard was presiding over the case of Miss Broucharde and five other "peaceniks" being tried together.

Several times Judge Beard upbraided defense attorneys for introducing a variety of motions. Shortly before 6 p.m., he announced that he did not intend to sit there until midnight, and proposed adjourning till next Thursday.

STEP FORWARD

Miss Broucharde's attorney asked the judge to hear testimony from a witness who would be out of town next week and could not be in court. The judge asked for the witness' name and called out for Ted Knap to "step forward."

I was still stepping forward and had not uttered a word. The judge aimed a finger at me and said in a loud voice:

"You are a material witness. I order you held under $300 bond and order you to be here next Thursday." Then to the attorney: "That's how you handle witnesses who can't be here."

A bailiff took me behind bars in a room adjoining the court. It was bare except for benches and toilet. I sat a while. Then I paced the floor.

"How did I get here?" I wondered.

"Is this why citizens hate to get involved in police or court cases?"

Then the defendants came in, and expressed sympathy. We were taken downstairs to another lockup. We were ordered to take everything out of our pockets and we were searched.

A man took my name and wrote down, "District of Columbia versus Ted Knap." I wondered what in the world does District of Columbia have against me.

CASH

I asked the man in charge of the lockup if he would accept a check for $300 for the bond. He said I could post $300 cash—which was $297 more than I had—or have a professional bondman post it. The fee for that would be $24.

I asked for my one telephone call, borrowed a nickel from a fellow prisoner and phoned Earl Richert, editor of the Scripps-Howard Newspaper Alliance.

Our conversation was interrupted by Judge Beard, who had left his court and come down to the lockup.

"I didn't know who you were," the judge said. "You saw the spot I was in. If you want to go out on your own recognizance and be here Thursday afternoon, I'll let you."

"If I'm instructed to be here, I will."

"Well, I have to instruct you to be here. Will you?"

"Yes, I will."

"Then I release you on your own recognizance. You are free to go."

I left. I didn't even have to sign anything. It was very nice of the judge to trust me.

TRIBUTE TO W. TAPLEY BENNETT, U.S. AMBASSADOR TO DOMINICAN REPUBLIC

Mr. TALMADGE. Mr. President, all Georgia is proud of the role played by W. Tapley Bennett, the U.S. Ambassador to the Dominican Republic, in the crisis in Santo Domingo last spring. It was Ambassador Bennett who very properly advised the President to send troops to the Dominican Republic in order to protect American lives and property and to prevent another Communist stronghold from developing in the Caribbean. The American people applauded this positive action and subsequent events have proven that the Ambassador was correct in the advice and counsel that he gave the President.

There appeared in the Sunday, September 5 edition of the Atlanta Journal-Constitution a splendid column by Eugene Patterson, editor of the Constitution, commending Ambassador Bennett for his dedication to duty and his devotion to serving the best interests of the United States and the people of the Dominican Republic.

I ask unanimous consent that this column be printed in the CONGRESSIONAL RECORD.

There being no objection, the column was ordered printed in the RECORD, as follows:

[From the Atlanta (Ga.) Journal-Constitution, Sept. 5, 1965]

TAP BENNETT: THE AMBASSADOR DESERVES A WORD

(By Eugene Patterson)

Georgia's Tap Bennett had to take some hard decisions in April.

Telephoning from the cover of his desk, while gunfire shattered pictures on his U.S. Embassy walls, Ambassador Bennett advised President Johnson to land troops in the Dominican Republic, which he did.

Instantly, Bennett found himself being fired on from another direction—from some second guessers at home who demanded to know if this intervention was necessary.

Lacking the Ambassador's information, they impugned his judgment and gave his reputation some bad handling.

They asked, how do we know there really was a Communist danger that couldn't be handled by the local progressives (or local reactionaries, depending on the question's own politics)?

If Ambassador Bennett could speak in defense himself now, 4 months later, he might suggest that the frustrating delays in reaching a final solution are proof enough in themselves of the Communist aspect of the situation.

DANGEROUS

The country clearly was out of control, neither Caamano's leftists nor Imbert's rightists were in charge, Communists were on the move as they usually are in scenes of chaos, and a lot of people were dying. There certainly is no doubt that a great many lives were saved by the U.S. intervention and that might be reason enough in itself to justify the landings.

Tap Bennett knew full well the price the United States would pay for this in lost good will among Latin Americans. But his conviction stands that the situation would have been much more dangerous had the United States not taken action.

Subsequent events have also silenced those critics who had a field day smearing Bennett as a rightist tool of the Dominican rich, bent on smashing Caamano's leftist uprising and installing Imbert in a rightwing tyranny.

Bennett had neither intention, as events have shown, and as anyone who knew the quiet, firm Georgian would have known. Imbert and Caamano have both been firmly held back from any takeover, along with the Communists, while the United States has striven to get a compromise government built around an acceptable, responsible element.

Bennett has a clear and democratic vision of what the Dominican people need and is as deeply committed to it—agricultural improvement and educational beginnings. For the United States to be placed in a purely negative posture, in a nation that has so many positive, crying needs, would seem to him the real disaster. He has stood unswervingly with the people, and even during these months of crisis he has ordered school construction to continue.

NEEDS OUTLINED

Those who were picturing him a few months ago as a champion of the privileged businessman at the expense of the poor Dominican—as an ambassador who mingled too much with the wealthy—could have avoided their error in their judgment of him if they had simply heard what he said to the businessmen he mingled with in Santo Domingo last December 15.

Speaking to the Santo Domingo Rotary Club, he didn't scratch any backs. He did the opposite. He outlined the needs of the country's poor, the aims of the Alliance for Progress, and then he read a firm riot act to his well-to-do friends about their own responsibilities.

"If an outworn concept of small unit production and high unit profit prevails," he said, "if individuals prefer to send their money abroad, then rapid economic expansion will be much harder to achieve."

"No one likes to pay taxes," he told the men who should pay most, "but action of this type is necessary."

And he quoted President Kennedy, pointedly relating the words to the Dominican Republic, on the need to modify social patterns "so that all, and not just a privileged few, share in the fruits of growth."

This, then, is the Ambassador who was being widely criticized short months ago as a rightist, saber-rattling blimp. He never was, and isn't now, as events are beginning to prove of themselves.

INTERNATIONAL MONETARY REFORM

Mr. HARTKE. Mr. President, John E. Smith is a well-known and well-respected expert in the field of international finance. As the New York foreign exchange expert of one of the leading French banking groups—a group which is owned by the French Government—Mr. Smith has gained a thoroughly deserved reputation as one of the most perceptive observers and analyzers of the international monetary scene. It was, therefore, with the highest sense of honor that I received from Mr. Smith a copy of a letter which he had written to Dr. Gardner Ackley, Chairman of the President's Council of Economic Advisers.

In this communication, which Mr. Smith has graciously permitted me to insert in the CONGRESSIONAL RECORD, he endorsed the principles and policy recommendations which my distinguished colleague from Minnesota [Mr. MCCARTHY] and I have espoused on the subject of international monetary reform and the U.S. balance of payments. Speaking as a professional student of international finance, Mr. Smith was kind enough to say:

The Hartke-McCarthy statement to the Subcommittee on International Exchange and Payments of the Joint Economic Committee of Congress contained those very words of refreshing acumen in high U.S. places, that have been long awaited by the practical technocrats of the international exchange and money markets.

I ask unanimous consent that Mr. Smith's letter be printed in the RECORD.

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

NEW YORK, N.Y.,
August 19, 1965.

DR. GARDNER ACKLEY,
Chairman, Council of Economic Advisers, Executive Office of the President, Washington, D.C.

DEAR DR. ACKLEY: Again I hope not turning up like a bad penny, but rarely a day passes without cause for attempt to keep the record straight as far as conduct of international economic and financial affairs is concerned. One day, highly elated to note the enlightened practical wisdom of such as Senators HARTKE and MCCARTHY. The next, frustratedly cast down following exposure to Secretary Fowler's views on international monetary matters.

Indeed the Hartke-McCarthy statement to the Subcommittee on International Exchange and Payments of the Joint Economic Committee of Congress contained those very words of refreshing acumen in high U.S. places, that have been long awaited by the practical technocrats of the international exchange and money markets. Frank expression of fundamental commonsense and practical reason, so gratifyingly dissimilar from the rambling and unenlightened doubletalk to which the U.S. Congress has been so long confusingly subjected. And all the real nails were hit unerringly on the head—"mobilize the world's gold through the medium of the IMF" (drastically reformed)—"a modest controlled balance-of-payments deficit" (basically essential to the world's present liquidity needs)—"a new working medium to supplement the dollar and the pound as vehicles for trade * * * not to supplant them as international reserves" (whether the rest of the world likes it or not neither the dollar nor the pound can possibly be replaced as the vital working media of international trade and finance) * * * "gold today has become the worldwide symbol of deflation" (as well as the only chink in the American currency armour) * * * "the IMF may have to take on some banking characteristics it does not now have" (eventually and inevitably the IMF, or a freshly formed other similar body must operate as the central bank of central banks) * * *. "The September meeting of the IMF Executive Board will provide the proper forum for such a call" (to international monetary sanity) * * * "the overriding problem of today—a shortage of internationally accepted means of transferring goods within the world economy" (members of the international (including American) banking establishment, please note).

This alone is sufficient indeed to inspire renewed hopes of early exercise of peerless American power in the realm of international trade and finance. But sadly enough there would appear to be always a dismally looking obverse to the coin. For immediately thereafter such hopes are miserably dashed by Secretary Fowler's critique of the Hartke/McCarthy enlightened contentions. His principal points (together with pertinent rebuttals):

(a) "Any economic slowdown in the surplus countries has been caused by their own anti-inflation actions" (partly true, but what about their (and the whole world's) desperate scrambles in the Eurodollar market following the universal impact of the voluntary program? Is not every well-informed international monetary authority fully aware of the obvious fact that world liquidity since World War II has been utterly dependent on the existence of a U.S. deficit in its balance of payments? That exaggerated recourse to U.S. dollars, which constitute the deficit (instead of to their own bloated exchange reserves), has given rise to self-inflicted inflationary tendencies, which they now seek to correct).

(b) "The troubles of Britain and Japan have nothing to do with the American balance-of-payments program." (Certainly not all, but had Secretary Fowler been exposed like the practical market technocrats to the impact on these countries of the voluntary program he would have wisely refrained from expression of such a sweeping statement. He would also have been aware of the fact that the consequent resurgent strength of the dollar could not fail to produce adverse repercussions on its weaker key reserve currency partner (he would only have to ask the Fed or the Bank of England and they would soon have put him right concerning the pressure on sterling directly resulting from success of the U.S. voluntary program). Similarly Japan, which had been particularly prominent in exploitation of the Eurodollar market, could not have failed to have her troubles as soon as the formerly freely flowing U.S. dollar tap was turned off. Are the present currency and liquidity crises that now beset the world at large not to be considered as troubles of any importance whatsoever?)

(c) "Canada has not suffered at all." Why then the Atlantic acceptance default? Why the unprecedented action of the hard money-minded Governor of the Bank of Canada in desperately increasing the Canadian money supply by $600 million (lest the whole flimsy Canadian finance "house of cards" alarmingly collapse and Canadian external insolvency nakedly revealed as a cold fact)? Yes indeed, Canada has already suffered, and despite the vaunted Russian grain deal coup still cannot succeed in closing her chronically deficitary payments gap vis-a-vis the United States. But the real problem will arrive whenever the hitherto greedily blind U.S. investor in Canada becomes belatedly face to face with this fact (to the disgruntlement of the head of the U.S. Treasury Department).

(d) "The less developed countries are exempt from the effects of the program." (Quite true, but of what use to them when Mr. Fowler's conservative outlook on world liquidity in general serves to bar them from access to desperately needed capital of all kinds? Of what practical value such exemption, when even countries such as Japan cannot now raise in New York a miserable $100 million of new loans vitally needed to

fill the gap created by the voluntary program (and the turning off of the Eurodollar tap)? And what are now the hopes of such liquidity starved nations when Mr. Fowler hits back so fast at his "liberally" enlightened critics, and then prepares to go to his "conservative" banker soulmates in Europe in order to assure that liquidity will ever be there for the rich developed nations, but tragically debarred from the desperate "have-nots")?

(e) "Eurodollars are dollars held and loaned by foreigners * * * the withdrawal of U.S. funds from the 'pool' has been replaced from other sources" (how lightly in the latter reference to dismiss the desperate scramble that took place as a consequence of the voluntary program. Mr. Fowler evidently was not informed about this but even the lowliest practical technocrat of the international money markets considered this to be a most notable episode in financial history. And in the former reference the term "held and loaned" has a most misleading connotation reminiscent of the many "learned" books written on the Eurodollar subject by otherwise well-informed monetary pundits. That Eurodollars merely pass from American Bank A to American Bank B, in such process do no harm whatsoever to the United States and its balance of payments. In fact someone in the Treasury Department some 4 years ago (before Mr. Merlyn Trued), in a memorandum addressed to me following a written warning sent to the Federal Reserve on the dangers to the United States of the Eurodollar market, politely inferred that I was living in a world of my own, and a wide world short position in U.S. dollars was a figment of my imagination. For the Eurodollar market if anything really served to finance U.S. trade, and certainly did nothing adversely to affect the American balance of payments. But the same people now claim credit for the voluntary program, the success of which is only due to the fact that the short-term capital outflow was of considerable proportions, and the foreigners when cut off from such supply would be in trouble, but not the balance-of-payments position of the United States).

But (with all due apologies to the President) is it not time that those in high office commence intelligently to "reason together," instead of continuing to wash dirty American linen before the American and foreign public? And when American exalted officials such as the very heads of the U.S. Treasury and central bank reveal to the world their unenlightened conservative philosophy how can Americans and foreigners alike possess any faith or confidence in the economy or currency of the United States. Conversely, what a profound but uplifting spirit would be engendered were such as Mr. Donald Cook and Prof. Seymour Harris the spokesmen of American power and liberally enlightened intelligence. Would the European central bankers, whom the American monetary authorities continue to cosset in search of aid and comfort of a sorrily considered weak U.S. dollar, then look contemptuously down on American monetary amateurs, who fail to convey the overwhelming strength of the economy and currency of their country, while inviting pious foreign lectures on fiscal responsibility and balance-of-payments discipline (how shortsighted they too are, for were the United States to observe their behests, Europe would soon be a truly broken continent). So, before more water (or rather hot air) goes over the dam let the United States proceed from peerless strength and the righteousness of its cause. As Senators HARTKE and MCCARTHY so rightfully exhort let America at last demonstrate to the world bold and enlightened leadership in monetary affairs, and call for an early showdown on the issue of IMF reform and the role of gold. And as they perceptively point out, "the September meeting of the IMF Executive Board will provide the proper forum for such a call."

Respectfully,

JOHN E. SMITH,
Bank Adviser.

OUR RESPONSIBILITY IN VIETNAM

Mr. McGEE. Mr. President, President Eisenhower decided in October 1954, "to assist the Government of Vietnam in developing and maintaining a strong viable state capable of resisting attempted subversion or aggression through military means." Since then three U.S. administrations have repeatedly examined and reexamined the alternatives open to this country in southeast Asia. Each reexamination has confirmed the basic necessity of the commitment we made 10 years ago, a commitment based on the conviction that the vital interests of the free world and our own country could be broadly affected by the course of events in southeast Asia.

That part of the world has great strategic significance in the forward defense of the United States. Its location across east-west air and sea lanes flanks the Indian subcontinent on one side and Australia, New Zealand, and the Philippines on the other. It dominates the gateway between the Pacific and Indian Oceans. In Communist possession, this area would present a serious threat to the security of the United States and to the entire non-Communist world.

Also, South Vietnam is a test case for the Communist strategy that was spelled out by Khrushchev in 1961 when, in a major elaboration of Communist doctrine, he dedicated communism to the provoking and encouragement of "wars of liberation" and specifically referred to Vietnam as one such war. "It is a sacred war," he said. "We recognize such wars." The West cannot let communism succeed with this aggressive expansionism.

Finally, and most to the point, South Vietnam, with extremely limited resources in terms of education and experience, is struggling to develop a viable economy and a national identity. The Vietnamese have asked for our help. We are giving it. We do so in their interest, and we do so in our own clear self-interest.

Our goal there is simple and forthright. The United States has no designs whatever on resources or territory in that part of the world. Our national interest does not require that South Vietnam or Thailand or Laos or any other country of southeast Asia serve as a Western base or a member of the Western alliance. Our ultimate goal in southeast Asia, as in the rest of the world, is to maintain free and viable nations which can develop politically, economically, and socially, and which can be responsible members of the world community.

We could, of course, abandon Asians to a Communist and Chinese expansionism by pulling out of South Vietnam and vacating our commitments there. To do so, as President Eisenhower stated in 1959, would almost certainly "set in motion a crumbling process that could, as it progressed, have grave consequences for us and for freedom. The remaining countries in southeast Asia would be menaced by a great flanking movement." As this happened, the sphere of the free world would begin to shrink. We would simply postpone, perhaps only briefly, the time when we would be forced to stand fast or forfeit the leadership of the free world and, by default, deny millions of people the opportunity to pursue their own national destinies in free societies.

The alternative followed by this administration—and its predecessors—is to draw on our rich resources, our dedication to freedom, the power of our prestige, and our military capabilities to help the people of South Vietnam defeat this aggression and build a stable, independent society. This is not going to be easy or quick. But because the conditions are difficult and the processes agonizingly slow is no reason to abandon our carefully chosen course, and choose instead to withdraw to the certainty of facing the same situation in other lands.

We are a big and great country, and today we shoulder the burdens of leading the free world. We do this not for the pride of power but because of our responsibility to the cause of human freedom that is the keystone of our way of life. Problems of war and peace, and the task of defending the course of freedom under adverse conditions perhaps far from home are an unshakable part of that burden. Most Americans know this to be true. We cannot quit or panic because the going is tough, the cost is high, and the progress is slow. We are going to stick to our commitment, to use our power wisely and to save and extend freedom wherever and whenever we can. That is not merely the honorable course, it is the wise and necessary one for America.

So I support President Johnson in the course of action that he has outlined. I support him soberly, recognizing that the decisions that have been reached will mean personal sacrifice for many American families. The decisions to enlarge draft calls, call up reserve units, and extend duty tours were not taken lightly. They are the product of thorough, searching study, and a full and careful weighing of alternatives. For, as the President has stated over and over again, this is not a war that we seek. In Vietnam as elsewhere we prefer the paths of peace. We have come only with reluctance to the course of action now before us. We have done so only after exploring all valid alternatives and rejecting them as incompatible with our commitment to freedom and human dignity and our interest in increasing the stability of a divided world in the atomic age.

BIG BROTHER: FDA

Mr. LONG of Missouri. Mr. President, recent hearings before the Subcommittee on Administrative Practice and Procedure exposed certain activities of the Food and Drug Administration to be dis-

graceful and completely contrary to the protective guarantees of our Constitution.

Perhaps the most shocking of these exposures involved the raiding of a premises here in the Nation's Capital.

This raid was reminiscent of a bygone era when large numbers of Federal and local law enforcement officials set upon centers of gangland activity. True to form, this recent raid was preceded by intelligence from an FDA spy planted on the premises. In authentic Hollywood style, FDA agents and marshals descended on private property while local police roped off the street and held back the crowds. Press reporters and photographers accompanied the agents while they ran through the premises, banged on doors, shouted and seized what they viewed as incriminating evidence.

Three particular aspects of this episode were especially shocking to the subcommittee. First, the incursion took place on church property. Second, the agents had no valid search warrant. Third, the particular objects sought and seized were devices used in the churches confessional procedure.

Now I have no objection to the use of forceful tactics when the circumstances warrant them. These are necessary when bootlegging, gambling, and other forms of organized vice pose a real threat.

However, it is difficult, if not impossible, to justify such offensive behavior by FDA agents on the property of the Founding Church of Scientology.

This senseless example of bureaucratic bungling is completely contrary to the letter and the spirit of the constitutional guarantees of this Nation and those of other democracies. The whole disgraceful affair is offensive to the sensibilities of all freedom loving men, wherever they might live.

At this point in the RECORD, I ask unanimous consent to insert copies of letters sent to me by a Canadian ministerial student. The original of one of these letters was sent to the Canadian Ambassador to the United States; the other was addressed to the U.S. Secretary of State.

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

SCIENTOLOGY CENTRE,
Kentville, Nova Scotia, Canada, August, 5, 1965.

The SECRETARY OF STATE,
State Department of the United States of America, Washington, D.C.

DEAR SIR: The enclosed copy of my letter of protest addressed to The Canadian Ambassador to the United States, Washington, D.C., dated January 6, 1963, is self-explanatory.

It is my understanding that this case is still pending and has never been brought up for a hearing and a decision before any court.

Due to the obviously unduly long period of time which has elapsed since the described subject incident has occurred and the internationally basic principles involved, I hereby request that you take immediate action to clear up this situation by an official apology to me and all others concerned together with definite assurances that this entirely un-American and internationally unconstitutional act will not be repeated, and that my personal property; namely (1) E-Meter Serial No. 782 either be returned to me or its purchase price of $150 (U.S.) be refunded to me. And, in the case of the meter being returned to me that all costs of repairing this instrument to restore it to its proper, original working order be borne by the U.S. Government.

Looking forward to your early reply in this matter, I am,

Sincerely,

JOHN P. WOOTEN, D.C., H.S.S.

STUDENT ACADEMY OF SCIENTOLOGY,
FOUNDING CHURCH OF SCIENTOLOGY,
Washington, D.C., January 6, 1965.

The CANADIAN AMBASSADOR,
Canadian Embassy Chancery,
Washington, D.C.

DEAR MR. AMBASSADOR: I hereby wish to report and register the strongest protest possible against officials of the U.S. Government responsible for the following incident:

On Friday afternoon, January 4, while attending as a resident student the Academy of Scientology, Founding Church of Scientology of Washington, D.C., at the above address, my pastoral counseling session in which I was receiving counseling at the time from my auditor, was rudely interrupted by the noisy entrance of a Robert Haislip, deputy U.S. marshal, U.S. Department of Justice, and another man who had a camera in his hand, loudly announcing that they were U.S. marshals and that they were confiscating all E-Meters (the Hubbard Electrometer: an electronic device for measuring the mental state and change of state of homo sapiens; used by Scientology auditors in pastoral counseling sessions) and Ability magazines (official publication of Scientology in the Americas), and that we should stop what we were doing and give up this equipment and materials. Mr. Haislip then proceeded to take my auditor's E-Meter, gave no receipt for same and only permitted, when asked to do so, that a record of the E-Meter serial number for identification be made. Then later in the lecture hall of the Academy of Scientology, a John R. Pannetta, deputy U.S. marshal, U.S. Department of Justice (phone: STerling 3-5700) took (1) E-Meter serial No. 782 (personal property belonging to me) from me, gave no receipt for same and only allowed me to record its identifying serial number, in the same manner as reported above. When I queried one of the marshals by whose authority was this action being taken, he showed me an unsigned court order.

I thoroughly resent and object to this unwarranted and extremely highhanded intrusion on my personal, basic rights as a Canadian citizen, and the forceful confiscation of my personal property (1) E-Meter serial No. 782 whilst I was a student here in the Academy of Scientology under the guidance of the Founding Church of Scientology, Washington, D.C., and an authorized visitor to the United States, and hereby do request you to take immediate action in strong protest of the unmitigated actions of U.S. Government officials reported above, and have my personal property immediately returned to me.

Thanking you for your services on my behalf, I remain,

Sincerely,

JOHN P. WOOTEN, D.C.

JOSEPH KRAFT ON U.S. POLICY IN ASIA

Mr. CHURCH. Mr. President, Joseph Kraft is one of our most knowledgeable and perceptive commentators on events in Asia and on U.S. policy toward that area. I ask unanimous consent to have two of his recent articles from the Washington Post printed in the RECORD.

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

REVERSE DOMINOS

(By Joseph Kraft)

The divorce of Singapore from Malaysia may turn out to be a blessing in disguise.

On the debit side, a loss of potentially staggering size is now cut in a relatively safe way. On the asset side, the domino theory that has been the base of so much wrong-headed American action in Vietnam is now exposed as a crude and unreliable guide.

From the outset, back in 1963, the Malaysian Federation was a chancy thing. It rested on the natural economic association of the great island port of Singapore with the hinterland of the Malayan peninsula. But Singapore is dominated by Chinese led by a Socialist trades unionist, Lee Kuan Yew, while the peninsula is dominated by Malay Moslems led by a golf-playing dynast, Tunku (or Prince) Abdul Ranman.

To achieve federation at all it was thus necessary to fuse two hostile nationalities under two different kinds of political leadership. For cold war political purposes it was deemed necessary to keep the Chinese and their leftwing leader in the minority. To do that, it was necessary to add to the Federation two former British protectorates in Borneo—Sarawak and Sabah.

Their inclusion precipitated Indonesian territorial claims against the Federation. As a guarantee of the Federation's security, British forces based on Singapore came into action. That in turn invited the charge that the whole Federation was a put-up Western piece of imperialism directed by the United States against the Indonesians and their chief ally in the world, Communist China.

Thus, step by step, there was built up, from local economic necessity, a network of commitments that came to involve the great powers. In Malaysia, the peace of the world was made to rest on a ramshackle structure of conflicting claims and competing nationalisms.

The withdrawal of Singapore from the Federation moves toward a safe scaling down of that crazy system. All the details of divorce seem to have been worked out by advance agreement between the Tunku and Lee. Indeed, it was precisely because they made their arrangements in advance and in secret, that the whole world was surprised by the divorce.

But what does all this have to do with the domino theory? Well, the theory is that the states of southeast Asia are like a row of dominoes with Vietnam in the van; and that Vietnam must be given external support, because if she falls, the others will come tumbling after. The events in Malaysia, however, offer vital evidence against the theory in two ways.

First, it is plain that the weakness of the Asian states springs more from internal division than external pressure. The best way to shore up these states is by moving toward solidly based local regimes—as the Tunku is trying to do in Malaysia, and as Lee is trying to do in Singapore. Had they failed to arrange a divorce, the Federation would probably have been blown apart by friction between Malays and Chinese. The dominoes would have been falling in reverse.

Second, the events show that the smaller Asian states are stabilized by simplifying their internal politics, not by loading them down with external commitments. Vietnam has been in trouble steadily since World War

II mainly because it was encumbered in impossible outside commitments—first to French colonialism, next to American anti-communism. Thailand, by providing a base for American military and propaganda efforts, now court the same danger.

Malaysia and Singapore, by reducing their entanglement in the East-West opposition, have probably improved their chances for survival. They have followed the Burmese way of noninvolvement. And the Burmese way, as the foremost of Burmese, Secretary General U Thant of the United Nations, once said: "is very appropriate in the circumstances prevailing in southeast Asia."

THE TECHNIQUE OF "AS IF"

(By Joseph Kraft)

The recent week of secret White House talks on Vietnam has been widely written off as a charade designed to provide an appearance of deep deliberation for decisions already taken. In fact, the White House talks yielded a basic change in the pace and direction of American policy in the Far East.

President Johnson has now explicitly broken away from a policy that was leading to an early and direct military clash with mainland China. And he did it in a way that enabled all of his advisers to go along with the new policy, though most of them had been leading advocates of the old policy.

To understand the breadth of the decision, it is necessary to have a grasp of the strategic view of Asia held in the highest military circles. In this sophisticated and cogent view, the only threat to the American position in the western Pacific comes from Communist China. American superiority in the air and in nuclear weapons would make it relatively easy to handle China at present. But 10 years from now it may not be so easy. China, the theory runs, could then be a real danger.

While rarely stated, this strategic concept has at all times been in the background of American decisions in Vietnam. The war there has been seen as an extension of Chinese power. At every critical juncture, this country has been obliged to go in deeper in order to contain the Chinese. Virtually all possible proposals for negotiations have been scotched as signs of weakness that would only feed the Chinese appetite for conquest.

The most recent White House review began just as all the previous ones. As usual, there was a military crisis in Vietnam. As usual, Secretary McNamara and his aides went out to examine the situation. As usual, they came back to Washington with new recommendations. As usual, these recommendations amounted to a deeper American military commitment. As usual, the President's chief foreign policy advisers, McGeorge Bundy and Dean Rusk, endorsed the proposals.

For many reasons, however, the President was instinctively suspicious of the whole approach. His most important former Senate colleagues—RICHARD B. RUSSELL, CLINTON P. ANDERSON, J. WILLIAM FULBRIGHT, EVERETT M. DIRKSEN, MIKE MANSFIELD—were expressing their doubts on the matter. The press was just then full of stories showing how President Kennedy had been trapped by his advisers in the Bay of Pigs fiasco.

But the real art was not to have doubts. The real art was to communicate these doubts in a way that would carry weight with the President's military and political advisers. Mr. Johnson alone, achieved that trick. He did it by the device of posing what may be called "as if" questions.

He listened carefully to all the recommendations. He then asked his advisers to consider the situation, as if all the proposals had been adopted. What would the other side do then? And where would that leave the United States?

At one point, in fact, the President said: "I want every man in this room to think where we will be 3 months from now; where we will be 6 months from now; where we will be a year from now; where we will be 5 years from now; where we will be 10 years from now."

When the answers to the "as if" questions finally came in, the President had on hand not only what he was being asked to do now, but also the whole scenario for the future. It was apparent that what the military wanted was: First, a major effort to drive the Vietcong guerrillas out of South Vietnam; second, an all-out bombing attack on North Vietnam; and third, in the likely event of intervention by Peiping air raids on modern military installations that would set China back for at least a decade. A big Asian war, in other words, was just around the corner.

With that ugly prospect exposed, the President's advisers were at last able to back away from the position they had endorsed so many times before. They agreed with the President that it was necessary to change the scenario. Though they accepted the immediate military requests, they also moved, for the first time really, to open a number of doors for a settlement in Vietnam.

The new moves may not work. They may not—and this would be tragic—be pushed very long or very hard. But for the time being the United States is not on a collision course with China. By the technique of "as if," the President has been able to assert the political over the military logic.

TRIBUTE TO ADLAI STEVENSON

Mr. MONDALE. Mr. President, the past weeks have seen an outpouring of countless eulogies honoring a great American, Adlai E. Stevenson. They have come from all parts of the world. They have lauded the way he uplifted American politics, by his nobility of expression and his stanch dedication to the betterment of America and mankind. Many of these eulogies have been printed in the RECORD, and they form an enduring monument to the respect and affection felt by men all over the world toward Adlai Stevenson.

I would like to add one more, an exceptionally fine statement by a distinguished Minnesotan, Edward Barsness, former editor of the Pope County Tribune of Glenwood, Minn. I have known Ed for a good amount of time, and I have always admired the fine human quality of his writing. I feel that his editorial, "Stevenson Belongs to the Ages," is one of the best he has ever written.

In particular, he points to striking similarities in the lives of Adlai Stevenson and our late President, John Kennedy.

Kennedy and Stevenson were products of the same school of thought, ideals, and aspirations. Both men were keen students of the Bible, and quoted frequently from the oldest book in the world. They were steeped in the great literature of the world and especially that of England. The utterances of the great thinkers of the past, great thoughts that had stood the test of time, became a part of them and their lives. Both were men who dared to back up their convictions and in no uncertain terms. Neither of them were politicians in the true sense of the word. When asked about their stand on a controversial question, they came forth with an answer that could easily be understood. Support and votes might be lost temporarily, but the future of humanity meant more to them. Both are now dead but what they stood for lives on.

Mr. President, I ask unanimous consent that this editorial by Ed Barsness be printed in the RECORD at this point.

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

STEVENSON BELONGS TO THE AGES

(By Edward E. Barsness)

A great American once said, "I would rather be right than to be President." The same might well be said about Adlai Stevenson who passed away suddenly in London last week, while on duty as U.S. Ambassador to the United Nations. Stevenson and the late President Kennedy were the two most outstanding men in the world in this generation and will live on in history with men like Lincoln and Gladstone.

Kennedy and Stevenson had very much in common. They were both great intellectual men, men who understood the past and who had the ability to look into the future and to see the turn of events. Both loved justice and peace and were against tyranny the world over. With them their objectives became an obsession and as for their dreams, they never let them die in spite of setbacks and opposition. Both men lived for something bigger than themselves. History is too near to both these men to give them the proper place in the annals of the coming generation, but when their history is written, they will be credited with changing world thought and giving humanity a new vision. This was what both men lived and died for. When these two men appeared on the scene, politics and much legislation had sunk into a sordid mess and people were becoming disillusioned and becoming resigned to a world without hope or escape. Kennedy and Stevenson brought hope and cheer where there was despair, and our Nation and the thinking world, moved into new fields.

Kennedy and Stevenson were products of the same school of thought, ideals and aspirations. Both men were keen students of the Bible and quoted frequently from the oldest book in the world. They were steeped in the great literature of the world and especially that of England. The utterances of the great thinkers of the past, great thoughts that had stood the test of time, became a part of them and their lives. Both were men who dared to back up their convictions and in no uncertain terms. Neither of them were politicians in the true sense of the word. When asked about their stand on a controversial question, they came forth with an answer that could be easily understood. Support and votes might be lost temporarily, but the future of humanity meant more to them. Both are now dead but what they stood for lives on.

Adlai Stevenson was a candidate for President of the United States in 1952 and 1956. Unfortunately for Stevenson he ran against a returning war hero, Dwight Eisenhower, and all his qualifications did not count. The fact that one party had been in power so many years worked against Stevenson. Although he lost heavily, he drew to his side the most ardent followers and admirers that any candidate has ever had. These followers caught the great dreams of Stevenson and they never lost them. Stevenson's dream revived the Democratic Party and gave it the great strength that it has today. The Stevenson dream for humanity will go on. He was a modern crusader.

Stevenson's greatest dream and hope was the United Nations and he was there when the United Nations was born in San Francisco in 1945. He knew at that time that

all the objectives of the United Nations could not be realized in one generation and that law could not make all the peoples of the world behave. He knew that erring humanity in an imperfect world could only realize perfection by degrees. It was fortunate for humanity and the world that President Kennedy appointed Stevenson as our representative to the United Nations and that he was able to labor there in these troublesome years. By his work here, he became a world figure and was looked up to by the nations of the world as an outstanding statesman whose first objective was world peace.

Stevenson put every ounce of energy he had into the United Nations and he was constantly on the go trying to the last to get the majority of the nations to work together for the good of humanity. He was aware of the storm clouds that hovered so near, but he knew that the masses of the world want peace more than anything else and he kept on working until he died with his boots on—the way he would have wanted to go.

Many great men have not been recognized in their time and among them can be mentioned Lincoln and Kennedy. After they are gone, the world wakes up to the fact that they had lived with intellectual giants. Now Stevenson joins that group. Stevenson did not live in vain and he did not die in vain. The name of Stevenson will grow with the years as he joins the immortals of all time.

WATERSHED PROJECTS APPROVED BY THE COMMITTEE ON PUBLIC WORKS

Mr. McNAMARA. Mr. President, in order that Senators and other interested parties may be advised of various projects approved by the Committee on Public Works, I submit for inclusion in the CONGRESSIONAL RECORD, information on this matter.

Projects approved by the Committee on Public Works on September 8, 1965, under the Watershed Protection and Flood Prevention Act, Public Law 566, 83d Congress, as amended:

Project:	*Estimated Federal cost*
Upper Choptank River, Del. and Md	$3,045,300
Little Raccoon Creek, Ind	2,521,448
Timber Creek, Kans	3,489,300
Tamarac River, Minn	1,177,486
Quapaw Creek, Okla	3,364,699
Rock Creek, Okla	1,224,703
Duck Creek, Tex	1,810,207
Cherrystone, Va	581,145
Total	17,214,288

IN VIETNAM, THE POLITICAL STRUGGLE IS OF PRIMARY IMPORTANCE

Mr. CHURCH. Mr. President, Mr. James Reston, one of Washington's best columnists, is currently writing a series of highly worthwhile articles from South Vietnam. Two such articles, entitled "Chulai: the Politicians and the Marines" and "Vietnam's Other War: In the Quest for Peasants' Allegiance, U.S. Aids Find Saigon a Languid Ally" appeared in the August 22 and August 23 editions of the New York Times. Mr. Reston cogently argues:

But in the end, the decisive question is not with the determination of the American Government or the American people but with the determination of the South Vietnamese Government and the South Vietnamese people. * * *

In fact, it is almost a cliche to say in Saigon, not only in the American Embassy but even in the American military compound, that while victory at Chulai was important and even essential, it will be necessary in the end to win the people in order to win the war.

I ask unanimous consent to have these articles printed in the RECORD.

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

[From the New York (N.Y.) Times, Aug. 23, 1965]

VIETNAM'S OTHER WAR—IN THE QUEST FOR PEASANTS' ALLEGIANCE, U.S. AIDS FIND SAIGON A LANGUID ALLY

(By James Reston)

SAIGON, SOUTH VIETNAM.—The political conduct of the war in Vietnam is a worry to most American officials in Saigon.

They have gone through so many changes of government that they hate to talk about politics in public, but they agree that it is a critical factor in the outcome of the conflict, and it is the central question before Ambassador Henry Cabot Lodge. The main fact seems to be that the mass of the people on the land and in the hamlets, more than two-thirds of the population of South Vietnam, are frightened spectators and often victims of the struggle.

They are not engaged in the defense of their communities. They are not protected by their central Government after dark and often not even in the daylight. So they stand aside, obeying the orders of whichever side happens to have the guns at the door, which is usually the Vietcong.

FARMER'S SHARE SPARSE

The Saigon Government does not have a popular political base among the people; it has seldom had one. Saigon has not been responsive to their problems. The wealth of this country lies in its agricultural production, yet the people on the land and in the hamlets have benefited very little from their own production or from American aid.

They regard their leaders in Saigon as merely the successors of the French colonial regime, with upper-class urban Vietnamese replacing the French.

U.S. officials here, not only in the Embassy but also at military headquarters, are well aware of this problem. The military command concedes that it can win battles like the one last week near Chulai, around bases on the sea, but that it cannot win the constant night-and-day battles in the hamlets all over the country unless the people believe in their Government and fight for their homes and communities. The Americans in the Embassy, and particularly those working in the distant hamlets, agree.

WAR IN EVERY HAMLET

The central question, therefore, is to think about this political problem as steadfastly as the Marines thought about their military problem at Chulai last week. American military power can hold bases on the sea, it can win time, but the war is going on every night in every hamlet in the country, and that is a different problem.

Ambassador Lodge will be confronted by the problem this week when he calls on the leaders of the South Vietnamese Government. It will not be easy. Premier Nguyen Cao Ky indicated before Mr. Lodge arrived that he was not enthusiastic about Mr. Lodge's mission.

When the Ambassador arrived the Premier was out of the country, giving advice to other leaders, in Taiwan and Thailand, about the importance of unity and social justice, which are central problems right here.

Accordingly, there is a tendency in the U.S. mission here to say with considerable reluctance and self-doubt that while the South Vietnamese really should deal with the problem in the hamlets, they will probably not do the job, and the United States will have to take it on.

Mr. Lodge's conviction is that the South Vietnamese must take over the social revolution from the Communists. He emphasized this when he arrived. But his problem is that the Vietnamese leaders are willing neither to take the leadership nor to accept American leadership in this exercise.

Faced with this problem, American leaders are tempted at the moment to give up trying to persuade the Vietnamese Government and, though they do not quite admit it, to sidestep the Vietnamese Government and in the process to replace it.

The victory at Chulai has encouraged this tendency. The U.S. Army and Air Force give the impression that they are yearning to prove elsewhere that they can be as effective as the Marines, and in limited areas, where the military situation favors American power, as at Chulai, this may help.

But the huge problem of the hamlets and the country as a whole remains, and no one in the American leadership here really believes that it can be solved without the cooperation and enthusiasm of the South Vietnamese Government and people.

AFTER VICTORY, WHAT?

There is another aspect, a long-range aspect, to this issue. The basic policy of the United States in Vietnam is to create a military stalemate that will lead to a negotiated settlement in which American power can be withdrawn from this peninsula.

Such a policy assumes that the South Vietnamese will be able to govern and protect the country after the Americans leave, but there is no evidence that they have this capacity, no evidence that they are developing this capacity—indeed, no evidence that the United States is determined to prepare them for the day when they will have to take over.

Ambassador Lodge, therefore, is a key figure in this problem as he begins his mission with the Vietnamese leaders this week, and he has to work within two policy guidelines that may well be contradictory.

He is expected to cooperate primarily with any government here that is anti-Communist. The present South Vietnamese Government certainly meets this test: It is opposed to the effort of the Communists to take over the country by force.

But at the same time it is essentially a Saigon group, remote from the problems of the people on the land and in the hamlets and backed by the urban upper class, which is undoubtedly anti-Communist too. That class is opposed to the social revolution that the peasants want and the Communists promise.

The second policy guideline before the Ambassador takes account of this point. President Johnson is constantly replying to critics by maintaining that he is following in Vietnam a policy originally introduced by President Dwight D. Eisenhower. But that policy emphasized—and the Johnson administration endorses the emphasis—that American aid is to be given to South Vietnam "provided that your Government is prepared to give assurances as to the standards of performance it would be able to maintain."

REFORMS DEMANDED

An Eisenhower directive of October 23, 1954, added that "the Government of the United States expects that this aid will be met by performance on the part of the Government of Vietnam in undertaking needed reforms * * * responsive to the nationalist

aspirations of its people, so enlightened in purpose and effective in performance, that it will be respected both at home and abroad and discourage any who might wish to impose a foreign ideology on the people."

None of this requirement has been carried out, and how this policy is interpreted depends very much on what Ambassador Lodge decides in these next few days.

His mission is divided. The military men are thinking primarily about the power struggle, but the political struggle is equally important. This is the area where both the United States and the South Vietnamese have been weakest in the last decade.

[From the New York (N.Y.) Times]

CHULAI: THE POLITICIANS AND THE MARINES

(By James Reston)

CHULAI, August 21.—The victory of the marines here on this lonely shoreline of the central Vietnamese lowlands helps clarify the military situation, but does not clarify—and may even confuse—the political problem.

The power of America in these limited military enclaves by the sea is formidable. Particularly when the effective field of battle is limited by a mountain range close to the shore, as it is here, and the enemy cannot launch equal air and naval power from the water, the firepower of the American forces is almost insurmountable.

This is particularly true when such power is exercised by brave and professional men and nobody who has had even a glimpse of the marines here this week is likely to question that they know what they are doing and have the skill to do it.

SECURITY HAVEN

The American positions on this coast, therefore, are as secure as anything can be in an uncertain world. They are being increased. Another base is being constructed in the natural harbor of Cam Ranh south of here, which the Russians used in their war with Japan at the beginning of the century, and the Japanese used in the last World War. And when the engineers get through with the task of submerging its fuel tanks and constructing its docks, roads and airstrips, nothing short of a massive commitment of manpower from North Vietnam and China could overrun it—and that would change the entire strategy of the war.

The only trouble with this reassuring picture is that the land is not the sea. Outside of the bases on the sea, and outside of Saigon and one or two other cities, this country is terrorized if not controlled by the Vietcong, and even Saigon is riddled with guerrillas and could be overwhelmed by mortars and by plastic bombs and shut off from the sea by sinking a single ship in the channel of the Saigon River any time the Communists chose to adopt a policy of unlimited guerrilla war.

What has happened here at Chulai this week is spectacular news in the United States but hard as it is for us to understand or believe it in America it is not spectacular news among the mass of the people here.

ONE MORE BATTLE

They are not participants, but merely spectators and victims in the struggle. They have been dominated for so many long generations by their own squabbling leaders, by the French and the Japanese, by war and rebellion of every descrpition that one more battle on this lonely coast means very little.

The main hope is that it will mean something to the leaders of North Vietnam, the Communist National Liberation Front in South Vietnam, and the South Vietnamese Government and armed services.

CHANGING ASSUMPTIONS

The Communists have been operating on the assumption that the United States was merely making a political and military demonstration in this country and that it wouldn't fight or wouldn't stick it out.

After what happened to the Vietcong here in Chulai maybe they will change their minds about the American capacity to fight, and if they know anything about American psychology, which is doubtful, they may even conclude that Chulai will increase America's determination to see it through.

But in the end, the decisive question is not with the determination of the American Government or the American people but with the determination of the South Vietnames Government and South Vietnamese people.

The American effort can hold places like Chulai, and can therefore gain time, but the decisive question is what the South Vietnamese are going to do with the time.

This apparently was what Ambassador Henry Cabot Lodge was hinting at discreetly in his statement at the airport in Saigon when he arrived.

He said that the United States was committed to seeing that the military attack on South Vietnam "must and will be warded off," but he emphasized that this fight merely "gives us all the opportunity to bring about a true revolution which will make possible a new and better life for the Vietnamese people."

ESSENCE OF VICTORY

This may sound like the usual soaring jargon out of the State Department, and it annoys a lot of people, who say quite rightly that without military victories there will be no feeling of security among the people, and therefore that military victory is paramount.

Yet it is also true that military victories, particularly at lonely military bases along the coast, will not win the country.

In fact it is almost a cliché to say in Saigon, not only in the American Embassy but even in the American military compound, that while victory at Chulai was important and even essential, it will be necessary in the end to win the people in order to win the war.

PAY RAISES FOR FEDERAL EMPLOYEES

Mr. LAUSCHE. Mr. President, the proposal that the administration be given control in initiating pay raises for Federal employees is unsound, unreasonable, and should not be adopted.

Under the Constitution, the people of our country placed the control of the purse strings in the hands of the Congress and not in the executive branch of the Government. It is generally conceded that the Congress by appropriate legislation must decide what the money-spending program shall be and then provide under appropriate legislation the moneys to support that spending.

Now it is proposed that the administration determine the wage rates and the Congress be given power to veto the administration's action.

Admitting that under the President's proposal the Congress would have the power within 60 days after pay raises were granted to veto such raises, it is nevertheless an unchallengeable fact that such veto power is not an adequate substitute for the basic control over expenditures that was vested in the Congress from the time of our Nation's birth. The procedure has been historically that pay boosts are recommended by the President when he thinks they are needed. However, those recommended pay boosts do not go into effect until affirmative action is taken by the Congress approving the proposals.

Inasmuch as the responsibility lies with the Congress to provide a program in which the income and the expenditures of the Federal Government are balanced, it is clear that the absolute power of fixing salaries should be with the Congress and not given to the administration.

The power of the Congress to veto a decision already made by the administration is a weak and unsatisfactory substitute for the initial and final power now residing in Congress either to raise or lower the pay of public servants and officials.

Throughout the history of our country, the Congress has exercised the power to fix pay levels and assume the responsibility to provide the moneys needed to meet the pay levels which it fixed. Under the administration's proposal, it is intended that this historic power and responsibility of the legislative branch will be modified.

The proposal is not sound and I will not support it. I am in agreement with the views expressed by Senator A. S. MIKE MONRONEY, the chairman of the Post Office and Civil Service Committee, on this important subject.

THE TRUTH ABOUT RUBBER FOOTWEAR

Mr. HARTKE. Mr. President, I invite the attention of the Senate to an editorial published in this morning's Washington Post, which does a great disservice to that paper's reputation for accuracy as well as to the cause of intelligent legislation. The Post inveighed against the "spokesmen for the domestic rubber boot industry" in connection with the ad valorem substitute for American selling price which this body adopted and sent to conference as part of the amended Tariff Schedules Act.

I believe that it is important the record be set straight with respect to some of the grossly inaccurate charges made by the Post.

According to the Post editorial:

> The spokesmen for the domestic industry are attempting to increase the American tariff by nearly 400 percent.

Nothing could be further from the truth. The fact is that the domestic industry has been trying for 3 years to correct a serious anomally resulting from a 1962 Treasury ruling which treats absolutely identical products; namely, synthetic rubber boots and natural rubber boots, in differing ways for tariff purposes. The proof of the inequity of this ruling is that, as a result of the tariff loophole it created, the Japanese have been able to capture just short of 40 percent of the domestic market for this kind of footwear. For 30 years prior to the 1962 Treasury ruling, American selling price had applied to all protective rubber footwear. The singular success of the Japanese in capturing our market only demonstrates the merits of giving uniform treatment to both natural and synthetic rubber footwear. The domestic industry has merely been try-

ing to restore equal treatment to synthetics. Experience prior to the Treasury ruling demonstrates that even with American selling price applied to synthetics the Japanese would still have about 30 percent of our market.

The proposal for converting American selling price to ad valorem rates was not made by the industry but the administration. I am advised that this proposal resulted from a meeting of all interested agencies, including the State Department, the Treasury Department, Governor Herter's office, the Commerce Department, the Labor Department, and the Tariff Commission. It was adopted by these agencies without dissent and was urged by the administration upon Senator RIBICOFF and myself as a substitute for the American selling price amendment we had proposed. The administration then succeeded in persuading the industry to drop its fight for the reapplication of American selling price to synthetics and to accept, instead, the administration's proposal of converted rates. Having won that battle, the administration pulled the rug out from under the domestic industry and withdrew its support of its own proposal.

The Post alleges that the converted rates would provide absolute protection to an already prosperous domestic industry. These assertions are made of whole cloth. The total market for these products has been declining over recent years and what remains has been going in steadily increasing amounts to Japanese producers.

The results can be determined only after some experience under the converted rates, and the Trade Extension Act requires that these rates would have to satisfy rather rigid tests or else be offered for a cut up to 50 percent during the present GATT negotiations.

The Post alleges that the tariff would be increased from 12½ to 60 percent. Evidently the editorial writer was furnished incorrect and incomplete facts. Under the proposed schedule, much of what now comes in at 12½ percent would continue to do so. Some would come in at a rate of 25 percent, and only those items whose natural rubber equivalents carry an average duty of 60 percent would be converted to that rate.

In short, Mr. President, there are two issues involved in this rubber footwear question, both of which should concern Congress. The first is the question of whether a domestic industry can rely on the word of the executive branch of our Government. The second issue goes to the merits of the Government's proposal. As to this, it is abundantly clear that the rates originally proposed by the administration and adopted by the Senate are the minimum which can be adopted without creating a further gross inequity to an already beleaguered industry, that these rates will still leave the Japanese with about 30 percent of the American market, and that these rates may yet be cut in half during the Kennedy round.

It is high time, Mr. President, that the Congress of the United States express its concern for the activities of importer and foreign lobbies which are designed to frustrate the ability of industries such as rubber footwear to compete according to fair rules of the game.

THE COMING WAR ON HUNGER

Mr. MONDALE. Mr. President, to those of us who have been working for reorganization and expansion of our food-for-peace program, it is most heartening to see newspapers and magazines all over the country giving increased attention to the world food crisis. We face a problem of great complexity, yet its essential elements are simple enough. Underdeveloped countries are increasingly unable to feed their growing hungry populations, while we in the United States have a vast, still untapped potential to increase our food output.

On Sunday, August 29, the Empire magazine of the Denver Post published one of the finest articles I have yet seen on this major world problem. I ask unanimous consent that this article by Bill Hosokawa, "The Coming War on Hunger," be printed in the RECORD.

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

[From Empire magazine of the Denver Post, Aug. 29, 1965]

THE COMING WAR ON HUNGER

(By Bill Hosokawa)

(NOTE.—Although fragmentary reports have been published on the changing picture of American food surpluses, this is believed to be the first comprehensive story to appear. Bill Hosokawa, editorial director of Empire and associate editor of the Denver Post, dug out the details in Washington, D.C., a few weeks ago.)

You were so busy yesterday that you skipped lunch and settled for a candy bar. Last night you went to bed feeling just a bit self-righteous for having missed a meal; you hoped it might help trim a little of the fat off your middle.

You probably did not realize that more than half the people on earth—nearly 2 billion men, women, and children—also went to bed hungry. But not out of choice. In this land of superabundance, it is difficult to imagine that hunger is a chronic experience for the majority of humans today, and every day, some 10,000 people will die of starvation or of the side effects of malnutrition.

It is knowledge of this hunger, and the consequences that hunger anywhere in the world holds for all of us, that causes lights to burn late in Washington these days. The grim companions of hunger are misery and death, political chaos, the end of morality. For, no more than a nation can remain half slave and half free, half the world cannot be surfeited and half starving, and long survive.

What troubles the food experts in Washington is that the enormous U.S. surpluses that helped feed the famished for a decade are now largely gone. Remember those pictures showing great mountains of wheat piled along railroad sidings of the West? You haven't seen any lately, partly because of the success of Federal restrictions on farm production, and partly because of massive shipments of food sent overseas.

The question now is not how to curtail output, but how to make American farms produce more to help fill empty stomachs in India and South America and Africa and other undernourished areas of the world. Congress is likely to be hearing a great deal about this problem before long.

It was only a few years ago that widespread food shortages seemed to be a distant specter that only a few visionaries worried about. Suddenly that specter is upon us and its threat is ominous.

Listen to the warning of Thomas M. Ware, a hardheaded industrialist and Chairman of the Freedom From Hunger Foundation: "There is a global food catastrophe building up on the horizon which threatens to engulf the free world and the Communist world alike."

Within 15 years, Ware predicted in a recent speech, Red China may have an H-bomb arsenal, the capacity to deliver it, and a population of 1 billion. Then he asked some chilling questions:

"With these pressures at work, will the Red Chinese feel compelled to reach outside to gain the land and food-producing potentials now in the hands of India or even the United States?

"Will they be deterred from launching nuclear attacks on the United States because they fear retaliation? Or might they welcome such an exchange as a means of destroying American power while they simultaneously reduce their own population to manageable levels?"

THE EFFECTS OF MALNUTRITION

What is true of China's food problem is true of many other lands, but there is another aspect of hunger that is less well known. It is malnutrition, quite apart from undernutrition. A great many people who, somehow, are able to fill their bellies reasonably often are not getting the proper food. Their diets are heavy on starches and seriously lacking in proteins, vitamins and minerals.

Among children thus deprived, the United Nations Food and Agricultural Organization (FAO) reports, as many as 25 percent of those who survive suffer nonreversible mental and physical retardation.

Herbert J. Waters of the State Department's Agency for International Development (AID) calls malnutrition "the silent but most lethal enemy of mankind." Looking forward to the time when a large part of the world's population may be crippled mentally and physically from faulty diets, Waters warns that the ultimate result of malnutrition "is stagnation and death to the civilization that contains it."

The United States, the United Nations, and some of the food-surplus nations have tried to attack the hunger problem in a variety of ways, sharing of both their bounty and technical knowledge. So far, it is a losing battle. The latest report of the FAO shows that each year, because of the population explosion, the world is producing less food per person than it did the previous year.

America's current effort to ease the world's hunger dates back to 1954 when Congress enacted what is known as Public Law 480, the Agricultural Trade Development and Assistance Act.

Frankly, however, in addition to its humanitarian aims, Public Law 480 was an effort to get rid of the farm surpluses that were clogging the economy. American farmers had learned to coax far more food and fiber from the good earth than the Nation could possibly use or sell. We were in danger of being buried under mountains of food. So we began to limit production under various agricultural acts, and Public Law 480 enabled us to send the unwanted surpluses overseas.

It turned out to be a mighty effort without precedent in history. We have sent abroad more than 120 million tons of American farm products—valued at $13 billion and enough to fill 3 million average railroad boxcars. In each of the last 3 years we have shipped more than a billion and a half dollars worth of agricultural commodities.

At this point it might be well to correct a popular misconception that this is entirely

a food "giveaway" program. Only about one-fourth of it is.

"The people most in need of food cannot afford to buy it," says Richard W. Reuter, special assistant to the President and Director of the food-for-peace program. "Our contributions are programed into school lunch, preschool child feeding, food-for-wages projects of economic and community development, CCC-type youth training camps, feed grain projects to stimulate chicken and pig cooperative projects, and family feeding.

"Our great voluntary agencies—Catholic Relief Services, Church World Service, Lutheran World Relief, CROP and CARE—have made particularly important contributions toward proper food use programing. More than 800 trained Americans—paid by these agencies from voluntary American contributions—work to see this food is properly used."

But we realize a material return on three-fourths of the food we send overseas. In at least 18 countries our food surpluses are sold for dollars. Some food is bartered for strategic goods that we need. The balance, almost a billion dollars a year, is sold for local currency.

Some of this local currency is used by Government agencies, the U.S. Embassy for example, to pay bills in that country. Some is loaned to American businesses to expand trade. About half the local currency we receive in payment for American agricultural surpluses has been loaned back to the purchasing countries for mutually agreed on development projects such as irrigation systems, roads, powerplants and other efforts that will help national development.

And now we are beginning to scrape the bottom of the surplus barrel.

There is no reason for America to panic. Our bins hold more than enough to meet this Nation's own requirements. But for overseas donation programs, the stock of rice, beans and butter is virtually gone. Nonfat dried milk, used to supplement the diets of 70 million children around the world, is in short supply; in the last decade we shipped out 5.5 billion pounds of this commodity.

Wheat, of paramount interest to the Rocky Mountain empire, deserves a closer look. In 10 years the food-for-peace program has used up well over 3 billion bushels. This spring, before the new harvest, our stocks were down to less than 1 billion bushels. If we set aside 600 million bushels—1 year's domestic requirements—as a strategic reserve, our surplus amounted to roughly a 6-month supply for American consumers. Today only one-third of our grain storage capacity is being used and, as Reuter points out, storage space rather than grain is our new surplus. In Colorado, wheat stocks in storage on July 1 were the lowest in 13 years and 53 percent under the figure for July 1, 1964.

(Overall, Commodity Credit Corporation inventories are still valued at more than $7 billion, but 40 percent of these stores are nonedible products such as tobacco and cotton.)

AN UNTHINKABLE ALTERNATIVE

But even with food surpluses gone, the idea of leaving the less developed nations to fend for themselves while we retreat behind our walls of plenty is an unthinkable alternative for most Americans. The Nation's course was set a quarter century ago when, in Presidential Adviser McGeorge Bundy's words, the United States accepted a "commitment of concern" for the needs and aspirations of other nations. Hunger is foremost of these concerns, and there are two ways to attack it: Grow more food; reduce the demand.

Neither is easy.

Unfortunately for the immediate need, population control is a long-range solution. The hungry ones are already born and the experts point out that aggressive family planning programs must be underway for a decade or more before there will be a noticeable change in food demands. Nonetheless, population control plays a key part in the overall assault on hunger, especially in the overpopulated, underdeveloped nations.

The need is now, and in pursuit of our commitment, a number of things are being done to increase both the supply of food and its dietary quality.

In addition to food itself, the United States is exporting quality seed, fertilizer, pesticides, farm machinery, and most important, the know-how to enable peasant farmers to increase their production.

"It is not enough simply to feed people," says Martin Abel of the Department of Agriculture's Economic Research Service. "We must help the less developed nations to produce more to keep them from having to depend on us forever. The problem is not hopeless, even in India, which must import 7 million tons of grain a year. India could produce enough food for itself by developing irrigation systems, using more fertilizer, better seeds and better farming methods. This will take time, but it can be done."

Abel reports that under ideal field conditions, Indian farmers instructed by Americans have harvested as much as 100 bushels of corn per acre. (The U.S. average is about 65 bushels.) In another experiment in India this year, 175 acres of land planted with rice seed developed by Nationalist Chinese of Taiwan yielded nearly three times the Indian average—7,000 pounds per acre compared to 2,500.

With present types of fertilizer, farmers can get back in increased yields from 2 to 10 times as much as they spend, and more effective fertilizers for specific types of soil and crops are being developed.

Meanwhile, the problem of malnutrition is being attacked by a program of enriching available foods.

For example, vitamins are being added to nonfat dried milk used in school lunch programs. Because milk is in short supply, a nutritious beverage based on soy flour, developed by the Soybean Council of America, soon will be distributed in many parts of the world. In Rio de Janeiro, a flour mill is packaging without cost an enriched breakfast cereal called Eubra. It combines food for peace milk powder, Bulgur wheat, and butter oil. Packed in plastic bags on which cooking instructions are printed, this cereal is distributed to the poor. Another somewhat similar enriched food, Incaparina, is supplementing the diets of the poverty-stricken in other parts of Latin America. Research is continuing into development of inexpensive protein sources, such as fish meal from species not now being used as food.

Before Congress now is a bill cosponsored by 13 Senators authorizing the Commodity Credit Corporation to spend up to $50 million annually for high protein foods, and protein and vitamin fortification of other foods sent abroad for school lunch and child feeding programs. The bill is described as insurance against suddenly terminating child feeding programs because of exhaustion of surplus stocks.

To gear this Nation for the food-supplying tasks ahead, Senator GEORGE S. MCGOVERN, Democrat, of South Dakota, introduced last June 17 a bill designated as S. 2157. Its purpose is "to provide for U.S. participation and leadership in an international effort to end malnutrition and human want * * *." It would do this by utilizing "the excess production and capacity of American agriculture and food industries" and by assisting "underdeveloped nations in increasing their own production of food."

MCGOVERN's bill calls for appropriation of $500 million in fiscal 1966. Each year until 1970, the appropriation would be increased by $500 million. Thus, in 1970, the appropriation would be $2.5 billion, and this level would be continued through 1975. While some of this money would be used in technical aid projects, the bulk would go to buy domestic agricultural products for resale, barter, or outright donation to needy countries.

MCGOVERN's bill has been referred to the Committee on Foreign Relations and it is not known at this time when hearings will be held. Senator MCGOVERN, incidentally, was named by President Kennedy as first director of the White House food for peace office. He resigned to run for the Senate, and was succeeded by Reuter.

Washington observers are less than sanguine about the chances of the McGovern bill passing in its original form. However, many of the benefits and principles encompassed in S. 2157 are considered likely to be part of the legislation that ultimately is passed.

THE MEANING FOR U.S. FARMS

The implications of such a program on the American economy are tremendous, keeping in mind the fact that most of our surplus food is gone. In effect, such a program would be a green light to American farmers to grow all they can, with their produce to be used overseas because it is needed rather than because it is surplus.

Just what would a change in U.S. agricultural policy from limitation to full production mean?

Senator MCGOVERN in introducing his bill told his colleagues: "A recent study by the Agriculture Department * * * projects a food gap in the free world at about $2.5 billion worth of foodstuffs at the end of the decade. What would it mean in the United States to try to close this gap? Roughly, agricultural economists estimate that American farmers would have to produce one-third more wheat, increase milk output by 50 percent, raise 25 percent more soybeans, and step up production of vegetable oils by a third.

"American farmers could fill this order by putting land and resources now idle into productive use again. Only about 75 percent of our agricultural capacity is being used today. This compares with steel production at about 85 percent of capacity, and overall industrial output of 87 percent of capacity, as measured by the Federal Reserve Board."

Martin Abel at the Department of Agriculture bears out Senator MCGOVERN's basic contention—that we can increase farm output vastly without taxing our resources or going back to tilling marginal land. Each year we have been producing more food on less land, he points out. In feed grains, for example, the acreage harvested has fallen steadily from 130 million acres in 1959 to 100 million acres in 1964. During the same period production rose from 1.15 tons per acre to 1.37 tons, so that total production in 1964 was not substantially lower than 5 years earlier.

The record for wheat production is even more impressive, as the following Department of Agriculture table shows:

Year of harvest	Acreage harvested	Yield, bushels per acre	Total bushels produced
1950	61,607,000	16.5	1,019,344,000
1951	61,873,000	16.0	988,161,000
1952	71,130,000	18.4	1,306,440,000
1953	67,840,000	17.3	1,173,071,000
1954	54,356,000	18.1	983,900,000
1955	47,290,000	19.8	937,094,000
1956	49,768,000	20.2	1,005,397,000
1957	43,754,000	21.8	955,740,000
1958	53,047,000	27.5	1,457,435,000
1959	51,781,000	21.7	1,121,118,000
1960	51,896,000	26.2	1,357,272,000
1961	51,551,000	24.0	1,234,743,000
1962	43,541,000	25.1	1,093,667,000
1963	45,256,000	25.1	1,137,641,000
1964	49,041,000	26.0	1,275,304,000

"American farmers," says Abel, "could increase their wheat production by 400 million bushels a year, and feed grains by 100 million tons a year, with very little trouble. It's just a matter of using our agricultural plant more efficiently. Our resources are such that the problem is less of production than of transportation, storage, and distribution.

"And remember, give-away food isn't all give-away. It costs us money not to produce food because of various farm aid programs. The soil bank is one example. We have the alternative of investing dollars in food aid for hungry nations, or using the same dollars to keep production capacity idle."

For America's farmers, the McGovern bill or some similar project would be, in effect, a billion dollar annual contract to produce the material for worldwide war on hunger. And just as a new contract for rockets at the Martin plant in Denver spurs the local economy, new activity in food-growing areas would stimulate business generally. Says Senator McGovern:

"The money such a program would put into the hands of farmers would be plowed back almost immediately into business and consumer spending. Farmers would need as much as a million additional tons of fertilizer and more machinery, equipment, gasoline, oil, and other supplies. Employment on farms and in factories would increase."

There would be new jobs handling the grain, and in processing it for food. Then a second round of spending would follow as a result of increased income—expanding the domestic demand for cars and trucks, dresses and household appliances, houses and vacation trips, and even for food itself.

BUILDING NEW MARKETS

These are the incidental but important side benefits of a project whose primary purpose is to alleviate suffering.

If the idea of a global war on hunger has the distasteful aroma of a worldwide welfare state financed by the United States, Food for Peace officials answer that the ultimate aim is to make each nation as nearly self-sufficient as possible, as soon as possible.

Can it be done? Has it been done?

Yes, indeed, replies Richard Reuter: "Japan shows what can be done. This country was given substantial amounts of American food to help it regain its feet after the war. Now it is our No. 1 customer for farm goods. During 1964 we sold Japan $700 million worth of agricultural commodities. The Japanese now buy 11 per cent of our total soybean crop, and by 1970 it is estimated Japan will buy half of our present total production of soy.

(Japan is the leading overseas buyer of Colorado wheat.)

"Italy, Greece and Spain are further examples of countries that moved from recipients of our food under Public Law 480 to cash customers.

"A study by the Department of Agriculture indicates that when per capita income in the less developed countries increases 10 percent, dollar sales of U.S. farm products go up 21 percent. In other words, as income goes up, imports of U.S. farm products increase twice as fast.

"Last year we exported $6.3 billion worth of agricultural commodities, of which more than $4.5 billion were straight commercial dollar sales. This is a record, and more than double what our agricultural exports were a decade ago when we started Public Law 480.

"As economies strengthen, markets expand. As living standards rise, dietary preferences change from cereals to high protein foods such as meats. And this opens up new markets for American feed grains to supply developing livestock industries."

Reuter's offices, not far from the White House itself, are equipped with numerous charts and displays illustrating how food grown on American farms is being used globally to help create a better world. But the most impressive is a small sign, probably quoting someone impatient with bureaucratic delay, that says simply:

"Dammit, these are hungry kids we're talking about."

Mr. NELSON. Mr. President, as the Senator from Minnesota has stated, the Denver Post on Sunday, August 29, carried an unusually fine article in its Empire magazine section entitled "The Coming War on Hunger."

In an editorial on the same day, it recommended the article, by the Post's associate editor, Bill Hosokawa, to its readers as putting into startling perspective three facts, one old and two new.

The old fact was that 2 billion of the world's 3 billion people have inadequate food, and that 10,000 daily die of hunger and malnutrition.

The two new facts are, first, that U.S. surpluses are nearly gone and, second, that reversing the trend of farm legislation from strict control of crops to expansion of production to meet world food needs is under serious consideration.

The article deals at some length with the proposal in which I have joined with our distinguished colleague, the junior Senator from South Dakota [Mr. McGovern] to end the world food gap. It deals with the fact that increased agricultural production in this Nation would mean a strengthened domestic economy.

I commend the article to the attention of all my colleagues in Congress. I ask unanimous consent to put the Post's editorial in the Record.

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

[From the Denver Post, Aug. 29, 1965]

A Whole New Farm "Problem"

An article in this Sunday's Empire magazine, "The Coming War on Hunger," puts in startling perspective three facts—one old and two new—about America's farm production and the world's hungry people.

The article by Bill Hosokawa, Denver Post associate editor, will—and should—make us all take a new and thoughtful look at the whole issue.

The old fact—and problem—is that nearly 2 of the 3 billion human beings on earth go to bed hungry every night of every year they live. And every day, 10,000 of them die of that hunger—either of outright starvation or of the side effects of malnutrition.

The first new fact Hosokawa's survey reveals is that the vast American farm surpluses, which since World War II have been used to keep millions of people all over the globe from starving, are nearly gone—that "we are beginning to scrape the bottom of the surplus barrel."

This will come as news to those, on and off the farm, who have been worrying for 20 years about how to cut our farm production to somewhere near the needs of the domestic market. But from this fact of dwindling surpluses springs the second new fact Hosokawa discusses:

People in Congress and in the executive branch of Government are beginning to talk about reversing the whole recent trend of agricultural resources management to encourage more food production for the hungry billions overseas.

Food and population experts have been saying that a situation like this would be coming, but no one to our knowledge had forecast its arrival in this decade.

Although, as Hosokawa points out, the United States has shipped abroad since 1954 more than 120 million tons of American farm products, valued at $13 billion, we have tended to regard that more as a matter of disposing of surpluses, rather than producing for others' needs—real though these needs were and are.

If American farmers are now to be called upon to produce consciously for the world's hungry billions, this will mean the start of an entirely new ball game in American agriculture. There likely will have to be adjustments in farm legislation, in the distribution system, and in methods of payment from foreign consumers.

In short, there is much food for thought in "The Coming War on Hunger." And the time for thought is evidently upon us, whether we be producers, distributors, or simply taxpayers. We seriously commend this article to the attention of all our readers.

THE UNITED STATES BREAKS THE U.N. DEADLOCK

Mr. CHURCH. Mr. President, all Americans, I am sure, share my pleasure about the vigorous and decisive manner in which Arthur Goldberg has assumed his new job as U.S. Ambassador to the United Nations. Ambassador Goldberg's own incisiveness is bolstered by the fact that he has the full support of President Johnson in his efforts to enhance the opportunities for world peace. After Ambassador Goldberg's recent speech on the article 19 controversy, several thoughtful editorials on this subject came to my attention. One editorial appeared in the Lewiston, Idaho, Morning Tribune, written by Bill Hall; a second in the Pocatello, Idaho, State Journal by Lee Ester; another in the Christian Science Monitor, and a final editorial from the Salt Lake Tribune.

I ask unanimous consent to have these well-written editorials printed in the Record.

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

[From the Lewiston (Idaho) Morning Tribune, Aug. 17, 1965]

The U.S. Breaks the U.N. Deadlock

The United States demonstrated once again yesterday that it considers the United Nations a vital instrument for international peace that must be preserved, even at the cost of giving the Soviet Union and France an unpalatable procedural advantage.

U.S. Ambassador Arthur J. Goldberg informed a U.N. committee the United States will no longer insist that the Soviet Union, France and 11 other nations pay 2 years in back assessments or lose their votes in the General Assembly. It means the end of a year-long stalemate that has rendered the organization largely ineffective.

The heart of the dispute has been article 19 of the U.N. Charter, which specifies members 2 years behind in assessments will lose ther vote. The article still exists, but the Goldberg statement means the United States will stop insisting on its enforcement.

It is decidedly an erosion of that one article and, perhaps, a weakening of the charter as a whole. And there is some loss of face for the United States in backing down. Apparently, however, it was that or a serious threat to the existence of the one organization that has produced some stability in a potentially explosive international community.

The United States could have maintained its rigid posture, but that would have produced no more than a continuation of the deadlock which has rendered the organization almost inoperable and of limited use.

The overriding fact, right or wrong, was that a majority of the member nations were unwilling to join the United States in insisting on enforcement of article 19. Perhaps they should have insisted, but they did not, and the U.S. position accomplished nothing once the point of registering a prolonged protest had been made.

In the unlikely event a majority could have been convinced to insist on enforcement, the result probably would have been the loss of France and Russia as members. Some undoubtedly would say good riddance. But it is doubtful there is anything good about eliminating two major powers from an organization that serves best when it provides the major powers with a forum for settling their differences.

The United Nations may be a somewhat weaker organization today because one of its rules is being ignored. That could be a precedent for other nations to violate the rules that do not meet their approval. But the U.N. has been preserved for the time being, when it appeared it might be doomed. The future will tell whether the United States retreat has purchased only a little more time for the organization or has carried it past an obstacle to a long and successful operation. But even a little more time is preferable to paralysis and an early end.

[From the Pocatello (Idaho) Sunday Journal, Aug. 22, 1965]

A SANE DECISION

The U.S. decision not to try to force Russia, France and 11 other nations to pay their share of United Nations peacekeeping assessments invites condemnation and misinterpretation. Another sellout to the Russians, it is called. We've backed down again, it is said.

Such charges are easily made, but they take into account neither the complexities of the issues involved nor the consequences of a no compromise position. The issues were not at all simple, and a hard line on our part might well have been disastrous to the United Nations and to the cause of world peace.

The central issue was whether the Soviet Union, France and 11 other smaller nations should be forced to pay up or lose their votes in the U.N. General Assembly. The United States had pressed the matter under Article 19 of the U.N. Charter, which says that members 2 years behind in paying assessments will lose their assembly vote.

The Soviet Union and France refused to pay because they objected to being billed for peacekeeping operations which were voted by the General Assembly rather than the Security Council, where both nations have veto power. Strictly interpreted, the U.N. Charter supports their case: the Security Council and not the General Assembly was meant to be the U.N.'s executive body.

It was the General Assembly, however, acting under resolutions pushed through by the United States, that undertook to keep the peace in the Congo. (How, it will be asked, did the U.N. authorize the "police action" in Korea in 1950? That happened at a moment when the Russians staged a walkout.)

Standing firm for a strict interpretation of the U.N. charter, the Soviet Union and France refused to yield to our demand because they refused to recognize the General Assembly's power to assess members for peace-keeping operations. In doing so, they pressed their cause with as much vigor as we would expect the U.S. delegation to display if the General Assembly embarked on an operation the United States opposed.

When the matter came to a showdown this week, U.S. Delegate Arthur Goldberg announced that his country would permit the General Assembly to resume normal operation without a confrontation on voting rights. The decision undoubtedly was motivated by two important considerations. One was that the majority of the U.N.'s 114 members would not have supported the United States in its stand. The other was that a hard line on our part might have led to the disintegration of the U.N. Neither the United States nor the cause of peace in the world would benefit from (1), a loss when the issue came to a vote, (2), the breakup of the United Nations. The United States therefore bowed to the realities of world politics and it wisely avoided a situation that might have resulted in the dissolution of an agency that is more desperately needed now than ever before. As Christian Science Monitor observed concerning the U.S. decision: "It put the cause of the United Nations as a whole before insistence upon the letter of the law, however right this latter may be."

American citizens, of course, do not care to see their country outdone in a showdown with the Soviet Union or with any other nation. They should consider, however, that we are not engaged in a game in which points are chalked up for the winning side. We, and other nations too, are involved in a search for ways to assure survival. This crucial task will not be accomplished if always we insist upon our own way.

The U.S. decision not to press the issue was sane and it was wise. It deserves the support, not the condemnation, of the American people.

[From the Christian Science Monitor, Aug. 19, 1965]

A WISE DECISION

The U.S. decision to drop its efforts to force the Soviet Union, France, and 11 other nations to pay up what they owe on United Nations peace-keeping operations was wise and constructive. It put the cause of the United Nations as a whole before insistence upon the letter of the law, however right this latter might be. We believe that the majority of world body members will recognize the wisdom and the restraint which Washington has shown.

It has been apparent for some time that, regardless of its views on who was right and who was wrong, the majority was not prepared to back the American effort. To have done so, this majority apparently felt, would have been to immobilize the forthcoming General Assembly session and might even have resulted in the world body's break-up.

Since Washington rightly agreed that an operating United Nations is indispensable in this troubled world, America decided to cease defending a position which, however much might be said in its favor, was no longer practical.

This leaves the world body facing two problems:

The first is immediate. It is how to make up the $108,000,000 deficit due in large part to the refusal of these 13 lands to pay their debts. It is hoped that voluntary donations will do the trick. Britain and the Scandinavian countries have offered $18 million. Nigeria has announced that it will contribute. There is a strong hope that, under the cloak of voluntary action, Russia will contribute substantially. America itself may also do so, even though it pays nearly one-third of the United Nations' regular budget.

The second is long range. Will the decision not to try to force all countries to pay their share of peace-keeping operations discourage such operations in the future? This would be a severe setback to those who had hoped to see the world body become a strong, on-the-spot force for peace and order. Means should be found not to let this happen.

In judging the actions of those nations which refused to support the American position, it should be remembered that the majority of the new members from Asia and Africa are terrified of a knock-down, drag-out struggle within the United Nations between America and Russia. Thus one of their main purposes invariably is to seek to prevent a head-on clash between these two giants. They refused to support an American action which they felt might drive Russia from the world body. They would similarly have refused to support a like Soviet maneuver against the United States.

This conciliatory attitude may have its drawbacks, but it also can be advantageous to the United Nations in times of serious crisis.

[From the Salt Lake Tribune, Aug. 18, 1965]

U.S. RETREAT MAY SAVE UNITED NATIONS

The U.S. retreat from its former position of "rigid adherence to the law" in the financing of United Nations peacekeeping was necessary to forestall disintegration of the world organization.

There is no definite assurance now that Ambassador Goldberg's conciliatory but firm maiden speech before "the committee of 33" will save the U.N. It was, however, essential to ending the deadlock. If the organization is not strengthened from this point on, the onus will rest more firmly on Soviet Russia, France, and the other delinquents.

After the Goldberg address the Russian delegate made noises like the Soviets might now be willing to make some "voluntary contribution" to the solvency of the U.N., but any speculation in this regard would be risky.

U.S. POSITION WAS LEGAL

Based on the letter of the law, upheld by the International Court of Justice, the United States was right in demanding that Soviet Russia, its satellites, France, and several other nations, pay their share of the cost of keeping the peace in the Middle East and the Congo or be deprived of their voting rights in the General Assembly. Mr. Goldberg declared that the U.S. position was "constitutionally, legally, procedurally, and administratively correct." He acknowledged, however, that the majority of the General Assembly is not prepared to apply article 19 and that the consensus was that the Assembly should proceed normally. (For more than a year all votes on substantive matters have been avoided.) And, in the spirit of his predecessor, the late Ambassador Adlai Stevenson, Mr. Goldberg declared: "It is time for the General Assembly to get on with its heavy agenda, which is indeed the unfinished business of mankind."

"We must find new strength," he said, "and new capacities for building, brick by brick, the community of men."

The lofty words did not hide the fact that this country had made a major retreat. Goldberg placed "responsibility where it properly belongs" (on the delinquents) and he made it clear that the United States would not allow a double standard to exist in paying United Nations costs in the future. He even reserved the right for the United States to refuse to pay if it had strong reasons for doing so.

POWERS CANNOT BE COERCED

Actually, however, Washington has painfully concluded it was wrong in the first place to stretch article 19 of the charter to pressure other powers into paying the extraordinary expenses of which they disapproved. At this stage of the evolution of the U.N. the world powers cannot be coerced. The organization must operate by consent—and this means by compromise. This admits a weakness, but the weakness has been apparent a long time.

The Soviet Union, France and 11 other nations in arrears on the peacekeeping assessments have in effect held that such ac-

tivity is a function of the Security Council (where all five permanent members have a veto), not the General Assembly. The rationale extended, however, to financing peacekeeping approved by the Council, in effect holding that such payments must be voluntary. Meantime, Britain, Canada and the Scandinavian countries have shown the way of donating almost $18 million. If sufficient other payments are forthcoming voluntarily, the $108 million deficit will be wiped out. In any respect, operations in Cyprus and other troubled spots have been financed with voluntary payments.

The biggest challenge to the United Nations—Vietnam—is still ahead. The Johnson administration has wisely given priority to the future of the U.N. over a row about past liabilities.

Mr. Goldberg discharged with dignity an onerous but necessary assignment.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. YARBOROUGH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CERTAIN INCREASES IN ANNUITIES PAYABLE FROM THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, H.R. 9811, be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 635, H.R. 8469.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8469) to provide certain increases in annuities payable from the civil service retirement and disability fund, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 8469) to provide certain increases in annuities payable from the civil service retirement and disability fund, and for other purposes, which had been reported from the Committee on Post Office and Civil Service with amendments on page 5, after line 9, to strike out:

SEC. 2. Section 10 of the Civil Service Retirement Act, as amended (5 U.S.C. 2260), is amended by striking out "55" wherever it appears therein and inserting in lieu thereof "60". This amendment shall not apply with respect to employees or Members retired or otherwise separated prior to the date of enactment of this Act.

And, at the beginning of line 16, to change the section number from "3" to "2".

Mr. WILLIAMS of Delaware obtained the floor.

Mr. WILLIAMS of Delaware. Mr. President, I yield to the senior Senator from Oregon.

STEEL DISPUTE SETTLEMENT NEGOTIATIONS

Mr. MORSE. Mr. President, I wish to make certain comments in connection with the roles played in the settlement of the steel dispute last week by the President of the United States, the Secretary of Commerce, Mr. Connor, and the Secretary of Labor, Mr. Wirtz.

In my more than 35 years of experience in being involved in negotiations of major labor disputes in this country, I have never seen such a magnificent and masterful job of industrial statesmanship as that performed by the President of the United States in the settlement of the steel case.

Some of us in the Senate may say what the President would not be in a position to say. I believe this case will be a subject of study for many years to come, in labor relations courses, in writings on mediation, conciliation, and arbitration and by students and authorities of industrial relations. I hope to be of some help to students who may study the case, by my comments today.

Although the Secretary of Commerce, Mr. Connor, and the Secretary of Labor, Mr. Wirtz, performed negotiating services—as I have told them in a letter that I sent to each of them—that likewise have not been excelled, nevertheless, when all is said and done, the country would be in the throes of a shutdown of the major industry in the United States at this very hour, were it not for the industrial statesmanship of the President of the United States. I have never seen its equal. I state, in anticipation, to any critics who might seek to give the impression that the President used persuasion not related to the facts of the case, that they could not be more wrong.

The President of the United States discussed the details of this controversy, before he intervened, at a breakfast held in the White House the morning of August 30, at which the substantive issues were outlined for him in detail—issues which had resulted in a complete deadlock between the steel companies and the steel workers' union.

On August 28, the President had sent to Pittsburgh the Under Secretary of Commerce, the former Governor of Florida, Mr. Leroy Collins, and the senior Senator from Oregon to participate in a fact-finding mission. Some Senators may not be aware that Governor Collins and the senior Senator from Oregon were not authorized to make any suggestions to the representatives of the union and of the steel companies for a settlement of the dispute.

We spent hours with the parties to find out what their differences were, and to determine for the President whether they had actually reached a good-faith deadlock in their negotiations.

The President instructed us to find out if there was any hope of further free collective bargaining between the disputants or if it appeared that Government intervention were necessary in order to avoid the irreparable damage to the Nation which would result from a shutdown of the steel industry.

When we reported to the President on the morning of August 30, Governor Collins and I were in complete agreement on every detail of all the minutiae of the findings we brought back from Pittsburgh. We reported to the President that in our opinion, if the parties were left to themselves there would be a steel industry shut down at midnight on Tuesday, August 31, 1965.

We tried to be of service to the President in outlining at great length and in detail the White House procedure we thought should be followed. Essentially, it called for continued negotiations, under the direction of the White House. We made recommendations, within flexible brackets, for terms of settlement of the dispute, should the Government finally be in a position where it would have to suggest a settlement. But that was the sum and substance of the contribution that Governor Collins and I made; and that is a minor contribution, compared with the great work of the President and the negotiating efforts of the Secretary of Labor and the Secretary of Commerce which followed that breakfast meeting on August 30.

I shall always be a richer man, from the standpoint of a valuable experience, because I had the opportunity of serving with Leroy Collins, of Florida, on this mission. In my judgment, he is a great American. One cannot pay a higher compliment to a man and to a friend than to say he is a great American. Leroy Collins is a dedicated American, and I learned much from him during our work together in Pittsburgh.

Also I wish to pay tribute to Mr. William Simkin, Director of the Federal Mediation and Conciliation Service, for his mediation work with the parties during the many days of negotiation conferences with them. Governor Collins and I found that the negotiators for both the union and the steel industry had great respect for and confidence in Bill Simkin. The factual material that he had gathered over the weeks and the mediation service which he and his able staff had rendered to the parties helped to provide the seeds for the sowing of commonsense suggestions in the minds of the industry and union negotiators by the President and by Secretary Wirtz and Secretary Connor.

One other official deserves special mention by me and that is Mr. Joseph Califano of the President's staff. While Governor Collins and I were in Pittsburgh, Mr. Califano stayed on the Washington, D.C., end of the long-distance telephone much of the time day and night, advising with us on our findings as we developed them as a result of our conferences with the parties to the disputes. He in turn relayed them to the President and relayed back to us further instructions and advice which we sought from the President. Mr. Califano was of great help to all of us and particularly to the President throughout the handling of the steel case by the White House. Now I want to say a few words about the negotiations here in Washington, under the leadership and statesmanship of the President of the United States.

The President agreed with the recommendation that Governor Collins and I made to the group that had breakfast with him on August 30, that it was important for the parties to the dispute to hear from the President himself as to how serious the consequences of a steel industry shutdown would be to the security and economy of the Nation.

As I said in this Chamber last Thursday, I do not advise Presidential interventions in labor disputes as a general rule. I believe they should be very rare. The President of the United States should not have imposed upon him such a burden. He is entitled to have labor and industry settle their differences without White House intervention through their voluntary exercise of a precious freedom, namely, free collective bargaining.

When the Federal Government does intervene, it should in most instances be kept at the Department of Labor and Department of Commerce level. There are instances, however, in which the President himself would fail the American people if he did not personally intervene, if he thought the public interest warranted intervention. This steel industry dispute was one of such cases. In my many years of service in this field, there have been only a half dozen cases in which one could say with assurance that a White House intervention was justified. But this was one such case, because there would have resulted both a strike and a lockout. Do not forget that when the parties to a labor dispute come to a point where they really break off negotiations between themselves, the employer has to assume equal responsibility with the union for the cessation of operations of that industry.

I stated before I left Pittsburgh, I stated at the White House breakfast the other morning, and I was heard to state on two occasions on the floor of the Senate last week, that in my judgment there was equality of responsibility resting upon the steel companies and the steel union with respect to this dispute. The facts involved in the case simply did not justify either the union or the Steel Companies throwing our country into the economic losses that would result from a breakdown in collective bargaining between them.

There is no question about the President's laying the facts before the parties when he asked them to come to Washington to meet with him at the White House in the presence of his Secretary of Labor and Secretary of Commerce. Such a conference between the President and the parties to the dispute was a procedural recommendation that Governor Collins and I had made to him at the breakfast meeting on August 30.

The President laid it on the line, so to speak, and he demonstrated to the parties his complete knowledge in detail of what was involved in the dispute. He showed complete knowledge of the union problems and the steel companies' problems. The President knows the problems that confront the industry with regard to foreign importation, the question of the stockpiling of the inventories that have taken place, and the facts about the healthy profits within the industry. He knows the facts about historic inequities that have grown up within the job classifications within the labor force. This involves inequities between incentive and nonincentive pay rates. He assigned to Secretary Wirtz and Secretary Connor the great task of taking the parties to the Executive Building across the street from the White House and starting under Presidential instructions the series of negotiation sessions which are now well known to the American people, because of the adequate news coverage that these conferences received.

I stress the fact that the President kept in touch with these negotiations until their final successful culmination.

I have already read some articles in the newspapers which would indicate that there are those who feel that the final settlement somehow has violated some economic guidelines that are supposed to be followed in the settlement of labor disputes in order to avoid the possibility of inflation.

Those guidelines are relative, in that it has always been recognized that so-called historic inequities within an industry must be adjusted in connection with any guidelines and that in doing equity and justice it is necessary to adjust those inequities, over and above any guidelines.

There is nothing new about economic guidelines in settling the economic issues involved in a major labor dispute. During the war we had them in connection with the operation of the War Labor Board. We followed them subject only to fair adjustments necessary to eliminate inequities and injustices.

Therefore, when we had a case in which the facts showed that existing inequities had developed within an industry, those inequities were adjusted over and above the guidelines.

That is exactly what has happened since the so-called 3.2 guideline was recommended for handling economic issues in labor disputes starting with the Kennedy administration. The result is that no one can point to any settlement in a major labor dispute within the past few years in which the dispute has been settled within the 3.2 guideline as far as so-called inequities are concerned. However, the 3.2 guideline is of great importance in directing the settlement of a dispute, because that means that the major wage settlement should conform to the guideline. That is what has happened in case after case. It happened in the steel settlement of last week. It happened in the 1962 East Coast Longshore case and the 1964 East Coast Longshore case in which I was involved.

Inequities were adjusted, but the basic wage settlements did not violate the guidelines. One of the things that must always be given great weight in the settlement of a major dispute is the relationship of that dispute to settlements in comparable industries.

We cannot select a given industry—for example, the steel industry—and settle a labor dispute independently of the terms of settlement of disputes in comparable industries.

That was a problem that confronted the President and confronted the Secretary of Labor and the Secretary of Commerce in this steel case. That was a problem that Governor Collins and I placed major stress on in our report to the President and to the Secretaries.

Let it be said at this time that in the automobile industry, in which a major settlement was reached some months ago, it was necessary to reach a settlement somewhat above the guideline so far as the so-called fringe benefits and wage inequities were concerned. But in the automobile dispute as well as other major disputes the settlement was not above the guidelines so far as the basic wage changes were concerned. Those cases stayed within the guideline. That is also true of the steel case.

Let us not forget that in the automobile industry, the union had the benefit of a so-called cost-of-living escalation clause. That does not exist in the steel industry contract. This was a major problem that confronted Secretary Wirtz and Secretary Connor, as well as the President of the United State in the steel case.

Therefore, although the basic wage increase in the automobile industry was finally negotiated at a figure higher than the basic wage increase settlement in the steel case, it should be noted that the union in the steel case does not receive any benefit from a cost-of-living escalation clause. However, Walter Reuther, since the settlement in the automobile case, has received an additional 8 cents an hour over and above the settlement in that case because of the cost-of-living escalation clause.

In the negotiations within the steel industry 2 years ago, the cost-of-living-escalation clause was dropped. It is true that the union received some benefits in exchange from the standpoint of the companies' assuming the cost of the premiums on the insurance cost of the contract. However, there is no doubt that the steelworkers also, because of the increase in the cost of living since that settlement, have suffered considerable loss.

Let it be said that the settlement in the steel case is less than the settlement in the automobile case. Let it be said also that another comparable major industry that confronted the negotiators was the aluminum industry. That industry holds a collective bargaining agreement with the same union that holds the agreement in the steel industry. The aluminum settlement was better, from the standpoint of an increase in basic wages, than was reached in the settlement of the steel case. There is still another comparable industry that I would mention that created problems for the negotiators and that is the industry that involves the manufacturing of metal cans. This industry holds a collective bargaining agreement with the same union as in the case of the steel industry. The basic wage settlement was a better settlement, so far as increases are concerned, than that in the steel industry.

In fairness to the steel companies, I wish to say that for some time the average hourly wage in the steel industry has

been higher than the average hourly wage in most of the other major industries.

What the negotiators were confronted with primarily was a fair consideration of the so-called historic inequities and a consideration of the pattern of settlement in the other comparable major industries.

I believe they did a magnificent job from the standpoint of equity and fairness to both the companies and the union in leading the parties to this settlement. It was fair and just. It did not do any violence to the guidelines, when we take into account the fact that we are dealing with fringe benefits and historic inequities as well as basic wage increase problems.

Mr. President, I wished to speak on this matter today because I have discovered some aspects of the situation which are not thoroughly understood by some writers whose articles I have read. I do not say that we should expect them to understand these matters fully, because they could not possibly have had all the facts available to them that confronted the President, the Secretary of Labor, and the Secretary of Commerce. I think a remarkable job of fair reporting on the whole has been done in view of the fact that this was one of the most complex cases that it has ever been my experience to study.

I decided to make this report today because I wanted to assure the American people that they have every reason to be exceedingly proud of the industrial statesmanship of the President of the United States, as he manifested it in his historic negotiations in connection with this case.

I should like to say also to labor and to management that they would make a great mistake if they were to look upon the steel case as a precedent for presidential intervention in major labor disputes in the future. They owe it to their country and to their President to make voluntary collective bargaining work without making it necessary for the Federal Government to find it necessary to intervene in order to protect the public interest.

It was only because of the extraordinary situation that confronted our country in respect to the continued manufacture of steel that Governor Collins and I felt that the circumstances warranted our very strong recommendation of Presidential intervention.

I shall always be satisfied to stand on the joint recommendation that Governor Collins and I made to the President and his advisers. And I shall always be proud that on the basis of that recommendation the President independently made his own choice, which was to intervene and to help lead the parties to a successful determination of the dispute in the steel industry.

A further comment I wish to make is in regard to those who might say they would change a comma, or modify a cross on a "T" in the provisions of the settlement of the dispute. My question to them is: Where would the country and its economy and security interests be, if the parties to the dispute had not finally agreed to accept the suggestions made to them by the President of the United States, the Secretary of Commerce, and the Secretary of Labor? The country would be in the throes of an approaching economic crisis, for it is true that as the steel industry goes, so goes the economy of America.

In closing, I express my highest compliments to Conrad Cooper, the chief negotiator for the steel industry, and Abe Abel, president of the United Steelworkers of America. I know dedicated service when I see it. I know when two men of widely different points of view in regard to a given dispute both come to recognize that the general public which was third party to the dispute as I said on the floor of the Senate last week, must prevail over the partisan interests of the steel companies and the steelworkers union. They placed their patriotism and their devoted interest in America's welfare first. The reason why there is a steel agreement is that they acceded to the President's suggestions. They compromised their differences and signed their names to an agreement, which was fair, equitable, and just.

I express for the RECORD my high commendation of the President, the Secretary of Labor, Mr. Wirtz; the Secretary of Commerce, Mr. Connor; as well as to Mr. Cooper, and Mr. Abel, for their demonstration of industrial statesmanship of the highest order.

Mr. HART. Madam President, all Senators are grateful to the senior Senator from Oregon for the analysis he has given of the events associated with the settlement of the steel dispute.

With the senior Senator from Oregon, I express the deepest appreciation to the President of the United States for the industrial statesmanship he has demonstrated.

I know that the people of the country wish that problems like these would never develop. In some segments of the community, there is the notion that if we would only put our minds to it, they never would develop. In other segments of the community there are those who feel they have absolute lead-pipe cinches as to how we should approach these situations.

Whether collective bargaining has been advanced or damaged by these events will long be the subject of debate and dispute. But the security and economic strength of the United States, which are the overriding concern, have been advanced, and I am satisfied that that will be the verdict of history.

There is sometimes an unthinking attitude to say to the two parties at a bargaining table, the representatives of management and the union, "You should resolve this dispute in the light of the public interest."

The question that confronts America, one which is of extremely difficult dimension, is whether the time is approaching when in the industries where the strength of the Nation is so vitally involved it is reasonable to expect of either party that he is voicing the public interest. Both parties to the dispute feel they represent the public's interest.

But let us be honest in acknowledging that the spokesman for management has the concern and responsibility, first of all, as the management spokesman, to management; and his second concern is profits. There is nothing wrong with that.

The union man has his obligation, first of all, to his membership. That is a matter of wages and working conditions.

How do we build in the public interest to this kind of situation in the months and years ahead?

I feel that the report given us by the senior Senator from Oregon confirms the elation that the Nation felt and the appreciation it would want us to voice for it to the President for his statesmanlike timing of intervention which has served the long-term interest of America and the rest of the free world.

Mr. MCNAMARA. Madam President, I am sure we all rejoice in the fact that a major steel strike has been averted.

Moreover—according to the announced terms of the settlement—labor-management peace in the industry seems to be assured for the next 35 months.

A tieup of any length in the steel industry, of course, could have had a serious disruptive effect on the national economy, which is continuing its unprecedented climb.

No one realized the consequences more than did President Johnson. He first made available to the parties the full Federal mediation machinery.

As the strike deadline drew nearer, the President exercised his famous persuasive powers to convince both sides that a short delay might mean a mutual settlement without any strike. The delay was agreed upon.

During the day and night hours of intensive bargaining that followed President Johnson personally met with the parties and urged them to explore every avenue of accord. He assigned Labor Secretary Willard Wirtz and Commerce Secretary John Connor to maintain intimate contact with each side.

The contract agreement that resulted reflected this intense concern on the part of the administration to avert a steel dispute.

In the end it was accomplished without a strike. It was accomplished without turning to recourse to the injunctive process under Taft-Hartley.

And, most importantly, it still was accomplished through free collective bargaining.

The settlement is a tribute to President Johnson and his administration. But it also is a tribute to the managements and the labor organization for their willingness to continue bargaining.

The prosperity of the Nation is the beneficiary.

EXTENSION AND EXPANSION OF INTERSTATE HIGHWAYS VITAL TO TRAFFIC SAFETY

Mr. HARTKE. Madam President, the casualty list of Americans murdered in Labor Day highway accidents continues to mount.

While the Nation casts an apprehensive eye toward Vietnam, while Florida

and the other southeastern States claim the headlines under the ravages of hurricane Betsy, the less spectacular compendium of holiday traffic death lists is accepted as a byproduct of today's way of life.

Or, our "way of death," if you prefer.

I, for one, am appalled that so many of us should sit by and accept highway slaughter as a "way of life." At my request, the Bureau of Public Roads has reported to me today that of its reported 541 Labor Day traffic fatalities in the 50 States and the District of Columbia, only 27—or fewer than 5 percent—occurred on interstate highways.

Earlier in this session, I introduced S. 1272, a bill to provide for the extension of the Interstate Highway System. In advocating the construction of 60,000 miles instead of the presently designated 41,000 miles of interstate highways, I have contended that three times fewer accidents per million miles occur on safely designed interstate highways than on other roads. Everytime 5 miles of interstate highway are opened for traffic, another life a year is saved.

Further, in S. 1976, I submit that the repeal of restrictions on highway construction until moneys are at hand would speed up construction of interstate highways, with a consequent saving of American lives in the process.

There is a story heard in Washington that one of our Government officials was remonstrating with a member of an Iron Curtain government that little interest was taken with the numbers of persons dying of malnutrition in that country. The Iron Curtain national looked our man straight in the eye and said something like this: "But what are you doing about your traffic accident death tolls? They are as much a product of your economy as our starvation is of ours."

Yes, what are we doing? The completion of a safer interstate highway system would save as many as 8,000 fatalities a year. This year. Next year. And the year after that.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate completes its business this afternoon, it stand in recess until 11 o'clock tomorrow morning.

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

OMISSION OF MORNING BUSINESS ON THURSDAY

Mr. MANSFIELD. Madam President, I announce that there will be no morning hour tomorrow and that at the conclusion of the morning prayer the debate on the farm bill will be started by the distinguished Senator from Louisiana [Mr. ELLENDER].

COMMITTEE MEETINGS DURING SENATE SESSIONS THIS WEEK

On request of Mr. MANSFIELD, and by unanimous consent, all committees of the Senate were authorized to meet during the sessions of the Senate this week.

CERTAIN INCREASES IN ANNUITIES PAYABLE FROM THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The Senate resumed the consideration of the bill (H.R. 8469) to provide certain increases in annuities payable from the civil service retirement and disability fund, and for other purposes.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the debate on the pending bill be limited to 2 hours, to be equally divided between the majority and the minority leaders, or whomever they may designate, and to one-half hour on each amendment.

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

The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. YARBOROUGH. Madam President, I send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 3, line 14, it is proposed to strike out the quotation marks, and on line 22 strike out the quotation marks and the semicolon.

Mr. YARBOROUGH. Madam President, I ask unanimous consent that an analysis of H.R. 8469, as reported, be printed in the RECORD.

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

The analysis of H.R. 8469 is as follows:

ANALYSIS OF H.R. 8469, AS REPORTED

Section 1(a) redefines the Consumer Price Index to mean the monthly price average instead of the average over a full calendar year.

Section 1(a) also defines a new term, "base month" to mean the month referred to for determining an increase in annuities after the first increase granted by this act.

Section 1(b) would allow the Commission to use money in the retirement fund to pay the administrative expenses of increasing annuities instead of paying such expenses out of the Commission's budget.

This language is considered necessary because of the virtual impossibility of determining when a future increase will occur. Without adequate funds to pay the salaries and other expenses of administering an increase, delay in providing the increases could occur.

Section 1(c) increases the annuities of all persons who are entitled to receive a civil service annuity on the effective date of this act:

1. All annuities which commenced (or, if a survivor annuity, are based on annuities which commenced) on or before October 1, 1956 (the date of the major amendments to the retirement act), shall be increased by 6.5 percent of the annuity plus the increase in the cost of living as reflected in the Consumer Price Index from December 31, 1962, until the latest report of the Bureau of Labor Statistics. This will be an additional 4.5 percent, for a total increase of 11 percent.

2. All annuities which commenced after October 1, 1956, shall be increased by 1.5 percent plus the same increase in the cost of living noted immediately above. This will be a total increase of 6 percent.

Section 1(c) guarantees that any survivor whose annuity is based on the "free survivor annuity" language of the 1948 amendments or the "forgotten widow annuity" language of the 1958 amendment shall be increased by 15 percent of the annuity or $10, whichever is the lesser.

Section 1(c) provides that the new "base month" for determining future increases shall be the month which showed the highest percentage increase in the cost of living over 3 percent during a period of 3 consecutive months which showed an average increase of at least 3 percent.

Existing law on the cost-of-living increase in retirement annuities provides that the Commission shall determine annually whether the cost of living has increased at least 3 percent from the base year (now 1962) until the year of the determination. If the increase is not 3 percent, the Commission waits until the following January 1 for another determination.

If the average increase is 3 percent, all annuities which commenced before January 2 of the preceding year are increased on April 1 following the determination. Under present law, therefore, there is a built-in, 15-month lag.

Section 1(c) changes this by providing for a monthly determination instead of an annual determination. Whenever the cost-of-living index shows for 3 consecutive months a rise of at least 3 percent from the "base month," annuities payable on the first day of the third month thereafter shall be increased by the highest percentage (to the nearest tenth) shown in any one of the 3 months. That month then becomes the new base month.

Section 1(c)(1) clarifies present law on the eligibility for receiving an annuity increase, eliminates the 15-month lag in receiving increases, and guarantees that survivor annuitants shall receive the increases previously received by the annuitant himself under this act up to the time of his death.

Section 1(c)(2) provides that the children survivors of deceased Federal employees who in the future will receive an annuity shall have the annuity increased by the percentage of increase given to annuitants who retired after October 1, 1956. If this language were not included, children survivors whose annuities commence after the effective date of the act would not receive the proper percentage relationship of annuity to salary as those children survivors whose parent died before the effective date of the act.

Section 1(d) prohibits inclusion of annuity purchased by voluntary contributions from the annuity upon which the increases are calculated.

Section 1(e) provides for calculation to the nearest dollar and guarantees everyone at least 1 dollar.

Section 2 provides that the benefits authorized by this act shall be paid out of the civil service retirement and disability fund. This provision will avoid the problem which faced all of our civil service retirees in 1963 when their annuity increases were delayed by 6 months because of the necessity of an appropriation by the Congress before the increases could be paid.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. YARBOROUGH].

Mr. WILLIAMS of Delaware. Madam President, what is the pending amendment about?

Mr. YARBOROUGH. This is an amendment on page 3, line 14, which strikes out the quotation marks, and line 22, the quotation marks and the semicolon. It is merely technical. It is surplus——

Mr. WILLIAMS of Delaware. What does the amendment do? Will the Senator kindly repeat his explanation.

Mr. YARBOROUGH. On page 3, line 14, it strikes out the quotation marks immediately before the word "effective"; and on line 14 it strikes out the quotation marks and the semicolon which follow the period. This was surplus punctuation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. YARBOROUGH. Madam President——

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. YARBOROUGH. Madam President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized for 10 minutes.

Mr. YARBOROUGH. Madam President, the purpose of the bill, which is called the civil service retirement annuity increase bill, is to increase the annuities of retired Federal employees.

I believe the bill to be one of the most important bills to be considered in the 1st session of the 89th Congress. I do not believe there is need for a detailed discussion of the justification for the increase in retirement annuities. The vast majority of retired employees and survivors of retired employees are living on civil service annuities which do not provide enough money to live in a decent manner in these times.

Many of the retirees and survivors of retirees receive such low monthly payments that the States in which they reside are having to supplement that monthly payment with an old-age pension.

Madam President, as is well known, the old-age pension playment is not based on the contractual payment, as are civil service annuities or social security annuities, but are based solely on need. In the case of an old-age pension, an investigator must go out and investigate the applicants to determine whether they are receiving enough money to hold body and soul together. Many civil service annuities are so low that thousands of the annuitants are receiving old-age pension payments.

The cost of living, of buying the food and paying the rent and having the barest necessities of life, is going up. Steadily rising prices must be examined since the bill was reported from the Committee on Post Office and Civil Service in the other body. The bill provided for an increase based, in part, on the increase in the cost of living since the end of the year 1962.

When the bill was reported in the House on June 17, the increase for those who retired prior to October 1, 1956, was 10.2 percent. The increase for those who retired after October 1, 1956, was 5.2 percent. The cost of living had risen 3.7 percent since 1962, the date of the last increase in annuities for Federal retirees.

Madam President, there was a delay of 5 weeks before the bill could be reached for consideration on the floor of the other body. During that 5-week period, the Consumer Price Index rose eight-tenths of 1 percent, so the percentage of increase for retirees rose from 10.2 percent to 11 percent for the earlier group; namely, those who retired prior to October 1, 1956, and from 5.2 percent to 6 percent for the later group; namely, those who retired after October 1, 1956.

In the absence of the distinguished chairman of the Retirement Subcommittee, the senior Senator from Wyoming [Mr. McGEE], I had the honor to conduct the hearings in the Senate on the bill on August 12 and 13. The subcommittee speedily reported the bill to the full committee, and it was favorably and unanimously reported by the full committee to the Senate on August 30, 1965.

Madam President, I invite the attention of the Senate to the committee report, which sets out the percentage of the increase in annuities. The figures show that the increases will be 11 percent and 6 percent respectively, depending upon whether retirement was prior to October 1, 1956, or later. Those earlier retirees had not received the benefits of the retirees since October 1, 1956. This difference in the rate of increase is an effort to bridge that disparity.

But I regret to report that these figures are in error; it is not the result of the committee's error; it is the result of another increase in the cost of living which was reported by the Bureau of Labor Statistics after this bill was reported by the committee. The most recent published report of the Bureau shows that the cost of living since 1962 is up 4.6 percent—an increase of another one-tenth of 1 percent. Thus in the short period since June 17, 1965, the cost of living has risen a total of nine-tenths of 1 percent—almost a full 1 percent in less than 3 months.

Madam President, 700,000 retired Federal employees and their families, or their survivors are waiting. They are living on the substandard payments we are making to them. They must not wait any longer. They deserve the increase now. The price of food, bread, meat, milk, drugs, all the costs of living, will not wait. Prices are going up, as shown by the Consumer Price Index. We must act now.

It will be recalled that President Johnson stated that any family living on less than $3,000 a year is living on a poverty level.

Madam President, 62 percent of all retired civil service and postal employees are receiving annuities of less than $2,400 a year.

Let me repeat, the President's standard of a poverty level in this country is less than $3,000 a year. But 62 percent of all our retired civil service and post office employees are now living on less than $2,400 a year—$600 less than the poverty level set by the administration, which, in turn, was set on the recommendation of many economists and sociologists who study the economy of the country.

Ninety-seven percent of all survivors' annuities—that is, mainly widows, some widowers, and some surviving children—receive annuities of less than $2,400 a year, or $200 a month. Annuities of these retirees vary, but all 700,000—more than 500,000 annuitants and more than 200,000 survivors—have a common characteristic. They are all old, or relatively old, and they all must eat everyday. Many of them must pay medical bills. All must be clad. Yet 62 percent of retirees receive less than $2,400 a year—and some 10 percent live on less than $50 a month, or $1.66 a day. One group of survivors, 15,000 widows of employees who died before 1948, receive annuities which average $44 a month—less than $1.50 a day.

Time is wasting. This bill will give help where it is badly needed. It will come to the rescue of these people and give them some of the attention and financial benefit which they deserve. It will give these 700,000 senior citizens a hundred million dollars—that is an average of about $11 a month for each of them. I do not believe that is asking too much.

Madam President, there is one substantial change in the House bill. As passed by the other body, the bill provided also that in the case of those retiring after the passage of the bill, survivor's annuities—widows' annuities, I might call them—would be increased from 55 percent of the amount the retiree was receiving to 60 percent.

That would be only for survivors and retirees who retired after this bill is enacted. But for 700,000 retirees and survivors who have already retired the survivor annuity would still be 55 percent. This would create an imbalance between the retirees.

The Senate Post Office and Civil Service Committee eliminated this section. Our action was based on the plea of the administration that this was not merely an increase, this changed the basic retirement act; this amounted to a substantive change in the Civil Service Retirement Act.

Last February, the President appointed a Cabinet-level special committee to study the entire structure of Federal programs for all retired Federal employees. The President's committee is required under the terms of the appointment to make its report by December 1 of this year.

The Committee on Post Office and Civil Service eliminated section 2, the increase in the survivor percentage for future retirees, until the President's Cabinet-level special committee reports in December. We will consider that report, and then reconsider this subject in the 2d session of the 89th Congress.

The bill also modifies the Civil Service Retirement Act in regard to the method of determining the cost-of-living increase in annuities.

Madam President, in 1962, Congress amended the Retirement Act to provide for automatic cost-of-living increases whenever the cost of living, as reflected in the Consumer Price Index, rises by 3 percent over the base period. The procedure enacted in 1962 calls for determination each January by the Civil Service Commission. Experience has shown

that this method does not fulfill the aims which Congress intended. In January 1965, for instance, the Commission's determination showed that the average increase in the cost of living over the base year, 1962, was 2.6 percent even though the percentage increase at the end of 1964 was above 3 percent. The 1962 law requires a year to pass before another determination can be made. Adjustments in annuities are put off a whole year. H.R. 8469 changes this method of adjustment so that in the future, the Commission will determine the cost-of-living on a monthly basis. If the cost of living rises by at least 3 percent for each of 3 consecutive months over the base period—the date of the last adjustment—the Commission will automatically increase annuities. The timelag of 15 months, built into the present law, is eliminated. This means that when the cost of living goes up, the retirees will receive increases when they need them, and not a year later.

We urge that our colleagues favorably consider this legislation as part of the fulfillment of the Government's obligation to the retired employees.

Last year every single Federal officer and employee with the exception of the President of the United States received an increase in salary. That included Members of Congress, justices, judges, executives, and rank and file employees from the top to the bottom.

This year the committee is considering another pay increase for employees. The military pay bill has already become law. The administration recommended an increase of $500 million a year in military pay. Congress increased that amount to more than $1 billion a year. The social security increase has already become law, as it was tied to and made part of the medicare bill.

All of the Federal employees and the social security retirees have received increases since the most recent civil service retirement increase. Only those who worked for the Federal Government have been left out. I submit that it is time that we recognize these retirees and their need for food, clothing, and shelter so that they may hold their bodies together and keep themselves warm in their old age.

We should not let time pass without recognizing the need of retired employees and without fulfilling our obligation to them.

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

Mr. YARBOROUGH. I yield.

Mr. WILLIAMS of Delaware. Madam President, under this bill what provision is made for the payment of this increase?

Mr. YARBOROUGH. That would be paid out of the fund.

Mr. WILLIAMS of Delaware. How much is the estimated cost of the increases as provided for under this bill?

Mr. YARBOROUGH. For the payments, not for the administrative cost?

Mr. WILLIAMS of Delaware. The projected payments for increased pensions under this bill.

Mr. YARBOROUGH. The cost of the payments would be $103.2 million annually.

Mr. WILLIAMS of Delaware. How much over the cost of the present law?

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

Mr. YARBOROUGH. Madam President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 additional minutes.

Mr. WILLIAMS of Delaware. This $100 million would not be a cost that would extend over the life of the bill. That is only the cost for 1 year. However, what is the total projected cost of the increases as provided in the bill?

Mr. YARBOROUGH. As the distinguished Senator from Delaware so knowledgeably pointed out, this would be a diminishing cost because the retirees and the survivors of retirees are passing away. This is a group of people that is not young. The total cost of the increase over the years is estimated to be $1,054 million.

Mr. WILLIAMS of Delaware. The total cost of the pending bill, according to the committee report, would be $1,040 million.

Mr. YARBOROUGH. Spread over the years, until the oldest of these retirees expired. The first year is estimated to cost $103.2 million. That figure would decline each year as retirees passed away.

Mr. WILLIAMS of Delaware. But the over-all cost would be $1.040 billion.

Mr. YARBOROUGH. Slightly more than that; a total cost of $1,054 million.

Mr. WILLIAMS of Delaware. What is the present status of the retirement fund? Is it actuarily sound, or is there an unfunded deficit?

Mr. YARBOROUGH. Actuarily, it is not fully funded. The present unfunded liability is approximately $40 billion.

We are now talking of two different things—the money we have and the money we should have in the fund.

Mr. WILLIAMS of Delaware. That is right. The projected unfunded deficit is approximately $40 billion. This bill now adds another billion.

Mr. YARBOROUGH. Projected; that is correct. That, of course, is a projection of what the total cost would be.

Mr. WILLIAMS of Delaware. Ultimately the fund would have to be supplemented by $40 billion.

Mr. YARBOROUGH. The Senator is correct.

Mr. WILLIAMS of Delaware. It is my understanding that the Department has advised that if there were no increase in the contributions on the part of the employees or the Government—that is, if they were to continue under the present system, 6.5 percent paid by the employee and 6.5 percent by the Government—it is estimated that at the end of 20 or 25 years the fund would be totally bankrupt. Is that a correct statement?

Mr. YARBOROUGH. We are studying that problem. There was a good deal of testimony on that subject in the hearings on the bill. It would be some indefinite time in the future, beyond 20 years.

Mr. WILLIAMS of Delaware. Why study it? As I understood the testimony before the Senator's committee it showed that in approximately 20 to 25 years the fund would be broke unless other provision were made by Congress to supplement the payments.

I wonder if the Senator would agree with Mr. Ruddock on that conclusion, and if so what plans he would suggest to correct this deficit. Surely the committee is aware of this deficit.

Mr. YARBOROUGH. I am not an actuary. I have no occasion to challenge that statement. The committee heard no other witnesses on that subject.

Mr. WILLIAMS of Delaware. Mr. Ruddock is a highly respected actuary. In my opinion, he has done a remarkable job. He has been remarkably accurate in his projected costs, and I am quoting his figures.

Mr. YARBOROUGH. I do not challenge that statement.

Mr. WILLIAMS of Delaware. Then we assume that estimate to be correct, even without the enactment of this bill or any other bill, in 20 or 25 years the fund will be broke, and yet this bill would add another $1 billion to that debt.

When is the committee going to recognize this fact of life and make a recommendation as to how we can finance these periodic increases which have occurred in the past few years?

Mr. YARBOROUGH. The administration recommended that action on the unfunded liability be delayed until the retirement panel appointed by the President reports. That panel is to study the entire problem of Federal retirement. This would be a part of the study. The administration acquiesced in the Congress' intention to grant increases. The problem is being worked on, and the President has directed the Cabinet-level committee to report back not later than December 1. It is expected that our committee will begin to study this problem in January after that Cabinet committee has reported.

Mr. WILLIAMS of Delaware. It is my understanding that the administration also recommended that many provisions of the bill be deleted until after the panel has made its report next December.

Mr. YARBOROUGH. It did. And we deleted section 2, as passed by the House.

Mr. WILLIAMS of Delaware. The committee deleted that section which was violently opposed by the administration. However, suggestions were made in connection with some of the other provisions and were ignored. Would it not be more appropriate to wait until after we have the benefit of the advice of the panel? Why should we go to the expense of having a panel make a study and report to Congress when we have passed the bill in the meantime? How is this going to be paid for?

Mr. YARBOROUGH. It is because of the dire need of elderly persons. Thou-

sands of widows are receiving $44 a month; 10 percent of all retirees receive less than $50 a month.

The elderly people are in dire distress. That is what caused the committee to recommend this unanimously. The insolvency of the fund was inquired into. We did not glibly approve the proposal without hearings or careful consideration.

The subject had been gone into and the House had held hearings. We did not merely accept the House hearings. We had hearings also.

The total cost would be $103.2 million a year. It was thought that these people ought to have the benefit of receiving the payments while the panel is in the process of making the study.

Mr. WILLIAMS of Delaware. I do not question that there is merit in some parts of this bill. However, the Senator is well aware of the fact that we cannot always deal with figures alone in the belief that they tell the entire story. Several of these low pensions——

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS of Delaware. Madam President, I yield myself 5 additional minutes.

Several of these existing low pensions are being paid to employees who were only temporary or part-time employees of the Government. Some only worked 5 or 6 years for the Government, and then went into industry, thereby creating a relatively low retirement credit. They went into industry and established other pension benefits. There are many such situations.

This problem cannot be dealt with altogether on the basis of figures. Many of these persons are today drawing two pensions, perhaps a social security pension and a retirement pension from the Government as well as a pension from private industry.

My concern is that last February a Presidential Commission was appointed to make a study of our whole retirement system. This Commission is supposed to report in December. Yet we are not waiting.

The Senator from Texas has made a rather persuasive argument for some of the widows and certain others on retirement. Let us stop deluding ourselves. That is only one section of the bill, but another section deals with increases in perpetuity both for the Senator from Texas and for me as well as for all other Government employees who will later retire. Every one of those empoyees in the years to come will under this bill have a guarantee against erosion of his pension as a result of inflation; that is, against an increase in the cost of living. Under this bill every time the cost of living rises 3 percent in 3 consecutive months, all retirees will receive a 3-percent increase in their pensions, whether they retire today, next week, 5 years from now, and so forth. After this bill passes, all Government employees will in effect be guaranteed against any erosion of the purchasing power of their pension checks as the result of an increase in the cost of living.

Under this bill there would be an automatic increase in the pensions every time there was a 3-percent increase in the cost of living. Federal employees would be guaranteed against the erosion of their pensions as a result of inflation. That increase would be triggered into effect every time there was an increase of 3 percent in the cost of living.

If we ran into a recession or a period when the cost of living declined for a few years—and we have had some of them—the pensions would be frozen at the higher level.

Under this escalation clause there would be an increase every time there is a rise of 3 percent in the cost of living. But if the cost of living dropped 3 percent or 6 percent, these pensions would be frozen at the peak figure, and the taxpayers of the country would pay for it.

I understand that the administration had recommended to the Senator's committee that if Federal employees are to be given this built-in increase against future effects of inflation there should also be included a provision for reduction in the pension in the event the cost of living drops. It should work both ways.

For example, suppose the Senator from Texas or I retire. We have been talking about $300 or $400 a year pensions. Let us talk about someone like the Senator or me whose pension would be substantially higher. Why should we get a Government guarantee against the ravages of inflation? If an increase in the pension were to be triggered by an increase in the cost of living it would be possible for us to get four or five increases—one each time there was a 3 percent rise in the cost of living. But if the cost of living should go down the pension would not decrease. This is a one-way street for the taxpayers, and yet Congress and the administration are responsible for the inflation.

Mr. YARBOROUGH. That is the way the law was enacted in 1962. The purpose of the amendment is to eliminate some kinks.

Mr. WILLIAMS of Delaware. Oh, yes, it would eliminate the "kinks," by adding over $1 billion to the cost with no method of raising the money.

Mr. YARBOROUGH. The Congress enacted the basic law in 1962, for an increase in annuity payments if there is an increase in living cost.

Mr. WILLIAMS of Delaware. That was wrong, and this is worse. The proposal before us provides for a far more liberal automatic trigger. It has the effect of guaranteeing every public official against the inflationary results of the spendthrift policies of the Congress. If this bill passes every Member of Congress, including the Senator and me, would have our pension guaranteed against the erosion of inflation. Social security beneficiaries, owners of savings bonds, and those under private pensions do not receive such guarantees. This is an expensive precedent.

We urge people to buy Government "E" bonds. A person who bought a bond 8 or 10 years ago and paid $3 for it, gets back $4 now, but he cannot buy with $4 what he could have bought with the $2, 8 or 10 years ago. The Senator and I know that. The man loses his interest and one-third of his principal. The reduced purchasing power of his dollar or inflation has destroyed his security.

One hundred and ninety million Americans are not protected by this measure. They are not protected against the dangers of the administration's deficit spending. But Congress is insulating itself against the inflationary effects of our own folly.

How can such action be justified?

Mr. YARBOROUGH. I did not realize that Members of Congress could be covered until the Senator mentioned it. I did not realize that the bill applied to my own retirement. The committee was giving primary consideration to about 700,000 widows and retirees who are living on income of less than $200 a month. Sixty-two percent of all employees and survivors and their families have an income of less than $200 a month. We felt they were entitled to this modest increase.

I do not think we are breaking the Treasury or the retirement fund. This fund will never be broken. Only actuarily is the fund in a deficit.

Mr. WILLIAMS of Delaware. No; not merely actuarially—but actually.

Mr. YARBOROUGH. We discussed this question in committee. I am not a member of the Finance Committee, and I do not want to argue this question on the floor. But I am not talking merely about theory; I am talking about a cash basis, the current assets. That fund is not going to be broken. But, whether we consider it actuarially or theoretically, as the insurance companies do, the cash assets in the fund will be exhausted in about 25 years. The Retirement Subcommittee studied this problem in 1963. The bill before us then, S. 1562 of the 88th Congress, was given careful consideration. A similar bill, S. 273, is before the Retirement Subcommittee now. The administration has advised the Committee that it would prefer to await the Cabinet Committee's report before taking action.

Madam President, I yield the floor.

Mr. WILLIAMS of Delaware. Madam President, then why not wait until we get this report? I am not quoting testimony given before the Finance Committee but testimony given by the representative from the Retirement Division of the Civil Service Commission, before the Senator's own committee. I suggest that the Senator from Texas read the reports. The best estimate is that with no change in the law in 20 or 25 years this fund will be bankrupt. Why not face this situation now?

Mr. YARBOROUGH. I do not question that actuarially he is correct, but "actuarially" means theoretically.

Mr. WILLIAMS of Delaware. No; he does not say theoretically. These are facts that cannot be ignored.

Mr. YARBOROUGH. Actuarially, yes. If the fund is projected actuarially, as is done by actuaries in insurance companies, what the Senator has said is correct.

Mr. WILLIAMS of Delaware. I suggest that the Senator read again what Mr. Ruddock said. He said that actuarially the deficit of the retirement fund amounts to $40 billion. Our cash balance today is around $19 billion. But without our doing anything about it, this $19 billion will be gone in 20 or 25 years. Either we must increase our contributions or renege on our obligations. That was the testimony of the representative from the Retirement Section of the Civil Service Commission before the Senator's committee.

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

Mr. WILLIAMS of Delaware. Madam President, I yield myself 5 additional minutes.

I shall ask the Senator to have the bill recommitted so that the widows he is talking about can be taken care of.

It is that part of the bill which deals with the increased benefits for the widows and low-pensioned retirees about which the Senator keeps talking. Let us correct their problem, but let us eliminate from the bill those provisions which guarantee all future retirees, including the Senator and myself, against the ravages of inflation. Let us stop shadowboxing—it is the $10,000 and $15,000 pensions that will reap the bonanza under this bill.

I think we can understand it better if we talk about how it affects the Senator and me, not how it affects some widows.

Mr. YARBOROUGH. I am not willing to limit it to the 535 Members of the Congress, and say that that is any criterion.

Mr. WILLIAMS of Delaware. Perhaps not, but it is the high salaried officials who get the real benefits under this bill.

Mr. YARBOROUGH. We are dealing with more 700,000 retirees and widows. It is not a fair criterion to consider only the 535 Members of Congress and say that that is a proper standard. It is infinitesimal. It is minuscule. I am not willing to recommit the bill. These people are hungry; they need bread and milk now, and I think we ought to vote it for them now.

Mr. WILLIAMS of Delaware. Madam President, in order to give bread and milk to those widows on retirement let us face what we are doing for the Cabinet officers and other top executives of government, including the Senator from Texas and the Senator from Delaware. Let us use ourselves as an example.

Last year Congressional salaries were raised 33⅓ percent. There is more that goes with the salary increase than merely a salary increase. The retirement pensions—this statement is true for anyone of the 2½ million employees who received salary increases last year—are based on an average of the highest 5 years' salary.

To use our own case as an example our salaries were raised 33⅓ percent which that not only do we draw, beginning this year, an increase 33⅓ percent in salary but also our pensions are increased this year and for the next 5 years 6⅔ percent a year under existing law, resulting in our pensions being increased at the end of 5 years by 33⅓ percent.

In addition, this bill would add to the 33⅓ percent which was indirectly approved last year another increase of 2 percent plus another 6½ percent. These additional increases would go into effect immediately, and in the years to come every time the cost of living goes up 3 percent for 3 consecutive months, whether it occur next year, in 5 years, or in 40 years, there would be another 3 percent increase in our pensions. Yes, this means that we are increasing our pensions by 2 percent and by 6½ percent, in addition to guaranteeing ourselves against any future inflation which may result from our spending policies.

I concede that there is some merit in what the Senator is saying about those who are retired on inadequate pensions, but we can help them without adding this additional guarantee for our own benefit. Let us take care of them, but let us not try to get a free ride for ourselves. Every employee in Government from the President on down, would gain an increase under this bill.

Why should the President, the Cabinet officers, the top executives of the numerous agencies and the Members of Congress be entitled to having their pensions guaranteed against any further ravages of inflation at the taxpayers' expense when it is the executive branch and the Congress which are responsible for some of this deficit spending?

Certainly a reasonable argument can be made that if—with the "if" in quotations—if we are to legislate built-in insurance against inflation or an increase in the cost of living for every Government employee, by triggering a 3-percent increase every time the cost of living increases, why should it not work in reverse if the cost of living declines?

Why should we not wait until the first of the year, and get the report of the President's Commission, which report we are going to pay for anyway? Let us get the report, examine it, and arrive at an overall decision as to what we should do and at the same time make arrangements to pay for it.

Mr. YARBOROUGH. We took out section 2 of the bill for that very purpose, to permit the Commission to report and to give Congress an opportunity to study the findings of the committee.

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

Mr. YARBOROUGH. I yield myself 1 more minute to answer the Senator's question.

We were considering the fate of the 700,000 annuitants. Congressional retirement was never considered. I was on the subcommittee. Hearings were held in the absence of the distinguished Senator from Wyoming. I do not remember it being called to our attention by any witness or any other person that the 535 men and women who were in the Congress would be singled out for special treatment, out of the 2½ million Federal employees.

The purpose was not to try to help ourselves. I resent the implication that we were trying to sneak this through as a bill to help the Congress. It was not in my mind, nor, I am sure, in the mind of the distinguished Senator from Kansas [Mr. CARLSON]. There was not a Senator on either side of the aisle who had that thought in mind. That is why the bill was reported unanimously.

As to Senators who attacked the congressional pay increases last year, we are not debating the congressional pay increases of last year. I state frankly, though, that I voted for them with a clear conscience, because I wanted the voters of my State to see that——

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

Mr. YARBOROUGH. I yield myself 1 more minute.

I wanted the voters of my State to see that I was voting for it. I did not piously vote against the increase in congressional pay, because I felt the increase was fair, and I wanted my constituents to be able to consider my vote, and retire me if they wanted to do so. I voted for it, and my constituents were kind enough to return me to office with the largest majority I ever received.

I am sorry that the distinguished Senator from Delaware felt impelled to go off on something apart from the heart of this bill. I see no merit to his position. With regard to those whom the bill is intended to help, I say with great respect—because I have great respect for the efforts of the Senator in behalf of this country and the Senate fiscal policy—that we have the most underpaid——

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

Mr. YARBOROUGH. I yield myself 3 more minutes.

Among the most underpaid people in this country are the retired people who have worked for the Federal Government.

To think that retirees are well paid is absurd, when there are actual instances of their receiving less than old-age pensions. Testimony before the committee showed that there are many who have to go to the old-age pension boards for money to make up the difference. When the old-age pension investigator comes out, they used to say in my State that the test for the need of assistance was to pass one's hand under a table, to search for discarded chewing gum. If such were found, the report of the investigator would be unfavorable, since chewing gum was considered a luxury, and the old-age pension was designed to cover only the necessities of life. But there are cases in which the people who have given their lives working for the Federal Government are receiving such low retirement pay that they have to get an old-age pension on top of it to hold body and soul together.

This is a modest bill. It ought to pass. It ought to pass now.

I ask unanimous consent that there be printed in the RECORD at this point a let-

ter from the Civil Service Commission, dated August 11, 1965, addressed to the senior Senator from Oklahoma [Mr. MONRONEY], and one from the Executive Office of the President, the Office of the Bureau of the Budget, dated August 11, 1965.

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

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C. August 11, 1965.

Hon. A. S. MIKE MONRONEY,
Chairman, Committee on Post Office and Civil Service, U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your request for the official views of the Commission on H.R. 8469, a bill "To provide certain increases in annuities payable from the civil service retirement and disability fund, and for other purposes."

Effective the first day of the third month which begins after enactment, section 1 of H.R. 8469 would provide the following adjustments in existing annuities:

1. All annuities would be increased by the same percentage as the rise in the Consumer Price Index from the annual average of calendar year 1962 to the month latest published on date of enactment. Through June 1965, this rise has been 4½ percent.

2. Annuities which began, or survivor annuities deriving from annuities which began, on or before October 1, 1956 would be further increased by 6½ percent; annuities which began after October 1, 1956 would be further increased by 1½ percent. When combined with the 4½ percent cost-of-living increase, the total increase to each of these annuitant groups would be 11 percent and 6 percent respectively.

3. Annuities of widows and widowers of former employees who died or retired before the survivorship amendments of 1948, which annuities were later awarded as gifts limited to $50 or $63 a month, would be further increased by an amount sufficient to make the total increase equal the lesser of 15 percent or $10 a month.

For the future, annuities would be increased automatically to reflect changes in the cost of living. Such increases would occur whenever the monthly price index showed a rise of at least 3 percent for 3 consecutive months over the base month used for determining the most recent cost-of-living adjustment.

The bill would make the retirement fund available for the payment of benefits resulting from its enactment, and also for the payment of administrative expenses incurred by the Civil Service Commission in putting into effect the first and all subsequent annuity increases.

Section 2 of H.R. 8469 proposes that the annuities of eligible widows and widowers of employees who die in service or who retire and die after enactment will be 60 percent of the earned annuity or of the survivor base selected by the employee, instead of the 55 percent provided by existing law.

The initial annual cost of the annuity increases proposed by section 1 of H.R. 8469 is estimated to be $101.9 million, with an increase in the unfunded liability of about $1,040 million. Section 2 would increase the normal cost of the system by 0.18 percent of payroll. It would add $817 million to the unfunded liability, and would incur an annual cost of approximately $58 million on the normal cost plus interest basis. The total first-year cost of section 1 and 2 would be $102.4 million, and the unfunded liability would be increased by a total of $1,857 million.

By memorandum dated February 1, 1965, the President created the Cabinet Committee on Federal Staff Retirement Systems under the chairmanship of the Director of the Bureau of the Budget. In that memorandum he directed a review of the whole structure of our retirement policies, including the pattern and amounts of benefit payments. He specifically requested examination of survivor benefits available under the various plans.

The Commission is of the opinion that it would be best to defer retirement legislation until it can be considered in the light of the findings and recommendations which will be included in the Committee report scheduled for completion by December 1, 1965. However, some justification can be found for immediate adjustment of existing annuities. In 1962 the Commission devised and submitted a plan for permanent adjustment of annuities to reflect changes in the cost of living, and that plan with minor revision was enacted as part of Public Law 87-793. Experience to date has shown that the mechanics for adjusting annuities to reflect living costs can be improved and the time element shortened by using the monthly price index instead of an annual average. Accordingly, the Commission will not object to enactment of H.R. 8469 insofar as it proposes adjustment of existing annuities to reflect changes in the cost of living.

We strongly recommend that section 2 be deleted from H.R. 8469. Section 2 is totally unrelated to the adjustment of existing annuities and proposes a major permanent liberalization in the retirement system. The proposal is made without regard to its relationship to other fringe benefits and without any demonstration of a need which would in any way justify its cost. It is the sort of piecemeal approach to retirement legislation which this administration seeks to check by the formulation of up-to-date policies in the light of the Cabinet Committee's study of the whole Federal retirement structure.

The Bureau of the Budget advises that enactment of H.R. 8469 would be inconsistent with the program of the President if it includes the provisions now in section 2 of the bill.

By direction of the Commission:
Sincerely yours,

JOHN W. MACY, Jr.,
Chairman.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., August 11, 1965.

Hon A. S. MIKE MONRONEY,
Chairman, Committee on Post Office and Civil Service,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: reference is made to the committee's request for the views of the Bureau of the Budget respecting H.R. 8469, "To provide certain increases in annuities payable from the civil service retirement and disability fund, and for other purposes."

The bill would increase all annuities payable to employees or their survivors who have retired under the Civil Service Retirement Act before the first day of the third month beginning after date of enactment. The annuity increase would be composed of two portions: first, an increase equal to the percentage increase in the Consumer Price Index since 1962 (which was 4.5 percent as of June 1965) plus an increase of either 6½ percent for persons whose annuities commenced on or before October 1, 1956, or 1½ percent for those whose annuities commenced after that date. Another adjustment is provided for certain pre-1948 survivors who were specially provided coverage under previous amendments. The bill would also revise the 1962 formula for future automatic cost-of-living adjustments in annuities. The Civil Service Commission estimates the first-year cost of these annuity increase provisions to be $101.9 million, and the increase in the unfunded liability of the system to be about $1,040 million.

Section 2 of the bill would increase the ceiling on the survivor annuity payable on death of an employee or annuitant to 60 percent of the earned annuity, or of the base selected for annuity, instead of the present 55 percent. In a report which the Chairman of the Civil Service Commission is submitting to your committee on this bill, opposed to this provision, he estimates it would increase the normal cost of the system by .18 percent of payroll, adding approximately $85 million to the annual cost on the normal cost-plus-interest basis, and adding $817 million to the unfunded liability. The chairman states that this provision is unrelated to the annuity adjustment problem, has not been demonstrated to meet a need which would justify its cost, and represents the piecemeal approach to retirement liberalization which the President's Cabinet Committee study is designed to prevent. The Bureau of the Budget concurs in the views expressed by the Civil Service Commission.

Accordingly there would be no objection to enactment of H.R. 8469 provided section 2 is deleted, as its enactment would not be consistent with the administration's program.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legisative Reference.

Mr. WILLIAMS of Delaware. Madam President, I did not mean to get the Senator from Texas so excited. I was not singling out Members of Congress. I said this guarantee against inflation applied to the President's pension as well as that of all other executives. I recognize that we are not debating the salary increases of last year. I repeat—and I do not want to get the Senator excited again because he mentioned heart failure—I certainly do not want any Senator to suffer heart failure on the floor because I describe how Congress benefits under this bill.

Mr. YARBOROUGH. The Senator will get me excited every time he wants to keep these people from receiving a little increase.

Mr. WILLIAMS of Delaware. I gathered that what excited him was my reference to the 535 or so who are Members of Congress, but I will not talk about Congress if that causes the Senator to become so excited. Let us talk about Cabinet officers and other top officials instead, or about any civil service employee. To the extent that any employee receives a salary increase we can divide that percentage increase over the next 5 years and determine the increase in the pension by that amount. If we increase the salary of a Cabinet officer by one-third that is the amount of his pension increase. It is a matter of simple mathematics.

In addition, under this bill another 2 percent is added, and also another 6½ percent is added, and then in addition every time the cost of living rises 3 percent for 3 consecutive months another 3 percent will be added.

Under the Great Society's deficit spending inflation is inevitable, but under this bill should we have a further erosion of the dollar, which means an increase in the cost of living, all Government pensions will be increased automatically. So far as the employees of the U.S. Government are concerned, they will be insured against any possible erosion of their pensions by subsequent inflation. That is something very desirable, of

course, but it is also desirable to the 190 million other Americans; and who pays for this guarantee.

Why should we give Government employees that safeguard at the expense of the other Americans who will not only have to suffer from the inflationary erosion of their own pensions but also have to pay the taxes to finance this program.

Senators can talk all they please about widows and orphans—and I sympathize with widows and orphans as much as does anyone else—but we cannot get away from the fact that in taking care of widows and orphans, for whom we are shedding these crocodile tears, we are taking care of ourselves.

If we wish to take care of the widows and orphans let us pass a bill to take care of them. If such a bill is introduced I shall support it. Let us not load the bill down with a guarantee to every official of the Great Society that he personally will not have to suffer from the inflation he creates.

Mr. Ruddock's statement is that this fund today, on an actuarial basis, will be about $40 billion in deficit. The bill before us adds another $1.054 billion to that deficit. It is also Mr. Ruddock's statement—and he is a very reliable individual—that if Congress does nothing in the next 20 or 25 years and some provision is not made to supplement the income of this fund over and above what is being collected it will be bankrupt in 20 or 25 years.

Of what use is an increase in a pension if the fund is bankrupt?

Those are warning statements of persons who are managing the funds. Those are statements given not to my committee but to the Senator's committee.

I now yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I do not wish to become involved in any discussion of salaries and pay increases by my distinguished colleagues from Delaware and Texas. However, I say most respectfully to my good friend from Delaware that his speech in regard to the cost-of-living adjustment annuities should have been made in 1962.

Mr. WILLIAMS of Delaware. I made this same argument in 1962, but I was defeated in my efforts.

Mr. CARLSON. There is no change in the pending bill, H.R. 8649, over the section that is found in Public Law 87-793, 87th Congress, H.R. 7927, October 11, 1962, except that the pending bill is on a quarterly basis, when adjustments are made. In the existing law the increases for annuitants are in effect today, but they are on an annual basis. I should like to have the RECORD contain the cost-of-living adjustment of annuities section, section 18, which is found in the public law which I have cited. It reads:

COST-OF-LIVING ADJUSTMENT OF ANNUITIES

SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

Mr. President, I cannot see any difference between the two provisions. The Senator is making a good argument about this fund. I have expressed myself on these funds, not only with respect to the present one. All the funds are in difficulty, when we look to the future. We should do something about the situation. The committee discussed it before the bill was reported, and we hope that the Commission appointed by the President will bring in some recommendations.

When they do, I shall support the recommendations. I believe the Commission will do it. However, I say to the Senator that even if we do not pass the pending bill the 3-percent cost-of-living increase is in effect now. If we wish to use the Members of Congress as an example, that is all right, but it affects everyone. That is the law.

Mr. WILLIAMS of Delaware. The Senator from Kansas is partially correct. However, there is an additional provision in the bill liberalizing the formula. The existing law triggers it as of January 1 and computes it on a yearly basis. The cost of living may rise 3 percent for a part of the year and then drop back, and there would be no increase under existing law. This bill provides that if for 3 consecutive months—and that could be March, April, and May, or September, October, and November—if the cost of living increases for 3 consecutive months by 3 percent, the automatic increase goes into effect and remains in effect even though the cost of living later declines.

The bill also provides an additional 6½-percent increase which is an extra bonus.

The bill provides 11 percent for those who retired prior to 1956.

I point out that the Senator from Kansas is partly correct. In my opinion, in 1962 Congress made a mistake, and I so expressed myself then. I lost then. I may lose again today, but at least I want the record clear as to what we are doing.

This bill today provides for an immediate increase that will ultimately cost over $1 billion with no provision contained in the bill to pay for that formula.

If we are to pass these laws let us put a price tag on them. This bill will cost $1,054 million. If Congress decides it is worth paying that amount, why do we not appropriate $1,054 million and put that money into the fund? We should tell the taxpayers the true cost. If the administration is afraid of the taxpayers' revolt over the necessary increase in taxes to pay for these bills then they should not be passed.

If we do not appropriate the money the only alternative is to increase the contributing rates for either the employees or the Government, or both.

Mr. CARLSON. It is interesting to note that in the first year following the establishment of the civil service system the Federal Government did not contribute a dollar, which I regret very much. The employees paid their own money into the fund, and for years the only amounts paid back to annuitants were from the money they paid in.

During the past few years the Federal Government has not contributed its share. The Federal employees continue to contribute full share.

I suggest an increase in the assessment. I am in favor of the Federal Government paying.

Mr. WILLIAMS of Delaware. The Senator from Kansas is correct on that point. Over the years Congress has not appropriated money to enable the Federal Government to include in the budget its proportionate share to finance the fund, but this bill only compounds the failure.

I have supported a pay-as-we-go program. I say again that we are only kidding the taxpayers as to our expenditures when we delay that payment. Why do we not provide for the payment of the $1 billion by appropriating that amount and marking the account "Paid"?

Shall we go home and tell the retirees and other people that although we are voting increased pensions we are making no provision to pay for them?

We shall either have to add to the amount that employees contribute to the retirement fund or pay for the cost out of the appropriated funds and thereby have the increase paid by the taxpayer. Somebody has to pay.

When we go home and talk about benefits approved we should have to talk about increased taxes as well. Let those Members voting for these increases also vote for the increased taxes that ultimately will have to be levied to finance the many Great Society extravaganzas.

This bill provides a much more favorable formula that can trigger this increase into effect when the cost of living rises in 3 consecutive months.

But when the cost of living declines by 2 or 3 percent the formula does not apply.

Once the 3-percent increase was triggered, the taxpayers would be hooked for years to come, because not only would the benefits be automatic for those on retirement but they would automatically increase pensions in the years to come.

At the time a particular employee retires the cost of living may even be lower than it is at this moment.

If there is to be a trigger, it should work both ways. Some in the Department feels that it should work both ways. I believe the answer is very simple. Do we want to establish a special provision for employees of the Government whereby we can say: "Do not worry about what Congress does; do not worry about the spendthrift policies of the Great Society because your pension is guaranteed against inflation. If an in-

flationary spiral is created in the country and the dollar is devalued, do not worry about it. If you are on a Government pension, the purchasing power of your pension is protected."

Mr. LAUSCHE. The Senator from Delaware just stated, in effect, that we are saying to the Federal employees: "Do not worry about inflation if you are an annuitant at present, because by this law we have taken care of you. Automatically, at the end of every 3 months, if there is a 3 percent rise in the cost of living, there will be given an added 3 percent on retirement pay."

What will become of the millions of other annuitants in this country who are receiving private annuities? What will become of State employees and city employees?

Mr. WILLIAMS of Delaware. And retirees in the military service along with all on private pensions as well? They will have to make out as best they can. The bill does not protect them or provide any inflationary hedge—only for Federal employees.

Not only does it not protect them but it also provides that in addition to looking out for themselves as best they can they will have to contribute, as taxpayers, to the protection of the Federal employees.

Mr. LAUSCHE. That is, the general annuitant, as distinguished from the Federal retiree, will have to take care of the increased cost of living as best he can. In addition, he will have to contribute to sustain the fund.

Mr. WILLIAMS of Delaware. Yes. As a taxpayer he will have to contribute to sustain this fund so that under this bill we can pay additional cost-of-living increases to all of the 2½ million Federal employees.

Mr. LAUSCHE. May I put a few questions to the Senator from Delaware with regard to the present status of the bill?

Mr. WILLIAMS of Delaware. Yes.

Mr. LAUSCHE. My recollection is that 2 years ago the Government owed $35 billion into the fund. Has the amount now reached $40 billion?

Mr. WILLIAMS of Delaware. I was talking with Mr. Andrew E. Ruddock, of the civil service retirement division, a man for whom I have great respect. His estimate is that the deficit in the fund is now about $40 billion. This bill would add another $1 billion to that deficit.

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

The PRESIDING OFFICER (Mr. HARRIS in the chair). Does the Senator from Delaware yield to the Senator from Ohio?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator from Delaware knows about the Foreign Service retirement fund. It protects workers of the Federal Government in the Foreign Service. The Federal Government now owes that fund $284 million. Today, if the Federal Government paid the whole sum of $284 million, in order to keep the fund actuarially sound, it would require a 30-percent contribution from each Foreign Service employee's salary. Therefore, if a Foreign Service employee is earning $15,000 a year, in order to keep the fund sound, $4,500 of his $15,000 would have to be paid into the fund. This would mean that if it were split between the Government and the employee, each would contribute 15 percent. However, it is now proposed that the employee put in 6½ percent and the taxpayers the remaining 23½ percent.

In addition to the $1 billion which was in this bill there are no figures for the automatic triggers which go into effect in future years because no one knows the extent of the inflation in future years, but to the extent there is inflation in future years that would be in addition to $40 billion.

The Government owes $41 billion to the fund.

Will the Senator restate the opinion expressed by the actuary concerning the financial soundness of the fund as it now exists?

Mr. WILLIAMS of Delaware. My understanding is that if Congress takes no action to appropriate the money or increase the contributing rate on the part of employees and the Government but continues as at present, this fund, which now has around $17 billion in it, will be bankrupt in 20 or 25 years.

Mr. DIRKSEN. It will not take that long. I have received some figures from the Civil Service Retirement Board in connection with the Independent Office bill. I testified this year to get $1.063 billion put in that bill—the actuarial unsoundness of the fund. Long ago I conferred with the late President Kennedy many times, and after those consultations we drafted a bill, a budget bill to increase the Government share by one-half of 1 percent annually up to a given number of years, to restore the soundness of the fund. That bill died in the Civil Service and Post Office Committee and nothing was ever done.

Mr. LAUSCHE. In other words, we want to expand the payments, but not give regard to the expansion of income to meet the burden of making payments.

Mr. DIRKSEN. This proposal would add a billion dollars to unfunded liability.

If there is added the triggering unfunded rise, 3-percent retirement, and all the other little retirement schemes, the last figure I have seen, if we add the public debt, is $843 billion. We are getting close to the trillion mark.

In view of the fact there is a Cabinet Committee on Permanent Annuity Assistance and it is not due to file a report until the first of December, this matter ought to go over, and we ought to have the benefit of the Cabinet study before we can intelligently legislate on this matter, instead of making this a piecework program.

Mr. WILLIAMS of Delaware. I thank the Senator from Illinois, and I agree fully with the comments he made. I am familiar with the figures he put in the RECORD which indicate that the fund would be broke in a shorter period than the 20 or 25 years to which I referred.

I am inclined to think his figures are correct, but I was quoting the outside figures. Even with the outside estimate I received, it would be bankrupt in 20 to 25 years and almost all of those in charge of the bill agree with the Senator from Illinois that it will be much earlier than that. Soon Congress will be confronted with a bankrupt fund unless it takes some action.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The report states on page 5:

> By memorandum dated February 1, 1965, the President created the Cabinet Committee on Federal Staff Retirement Assistance under the foremanship of the Director of the Bureau of the Budget.

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. Am I correct in assuming the President recognizes that a study has to be made of the Government retirement funds and recommendations of how the difficulty shall be handled, and that therefore he established this Committee?

Mr. WILLIAMS of Delaware. That is correct. They are supposed to report the first of December.

My point is, why should we not wait and get the benefit of that report before we start a piecemeal expansion of the present system.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield for a brief statement?

The PRESIDING OFFICER (Mr. HARRIS in the chair). Does the Senator from Delaware yield to the Senator from Ohio?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator from Delaware knows about the Foreign Service retirement funds. They protect the workers of the Federal Government in the Foreign Service. The Federal Government now owes that fund $284 million. If the Federal Government paid the whole sum of $284 million today, in order to keep the fund actuarially sound, it would require a 30 percent contribution from each Foreign Service employee's salary. I repeat, 30 percent. Therefore, if a Foreign Service employee is earning $15,000 a year, in order to keep the fund sound, $4,500 of that $15,000 would have to be paid into the fund. That would mean that if it were split between the Government and the employee, each woud give 15 percent; but, it is now proposed that the employee put in 6½ percent and the taxpayers 23½ percent.

We all understand where we are heading. All of this confusion in the Foreign Service fund is the consequence of expanded payments without expanding the contributions which had to be made into the fund to keep it actuarially sound.

I subscribe to the position taken by the Senator from Delaware. I am deeply convinced that we cannot prevent inflation. Congress is indicating its own conviction that it cannot prevent it because of the principles it is adopting.

Mr. President, it makes no difference what the Senator from Texas says about it, the fact is that I will be benefited on my $30,000 salary, under the provisions of the pending bill, by an increase which, according to what I read in the report, will be 11 percent.

Mr. YARBOROUGH. Mr. President, will the Senator from Ohio yield at that point?

Mr. LAUSCHE. Not at this time.

Mr. YARBOROUGH. On my own time?

Mr. LAUSCHE. I am glad to yield, on that basis.

Mr. YARBOROUGH. Let me point out that the annuities are not mandatory. No Senator has to accept them. They are voluntary. A good bite from my salary is taken out each month for that purpose.

Mr. LAUSCHE. I heard the Senator's argument.

Mr. YARBOROUGH. Senators do not have to accept the annuity. If they do not wish to do so, the Government will not make them take it. It is voluntary.

Mr. LAUSCHE. I am reluctant to repeat this, but the Senator from Texas knows that I voted against the increase of 33⅓ percent in Senators' salaries. I am giving my $7,500 increase to eleemosynary institutions. I did that because I felt that Congress should set an example by fighting inflation. Congress should not set an example which is heading everyone, at full speed, toward the eroding consequences which come from extravagant spending of the Federal Government's money.

I did not wish to make this statement, but the Senator from Texas tells me that I do not have to take the annuity.

To get back to my thought, I would be entitled to 11 percent more, as I understand, under the pending bill.

God help the taxpayers. God help the poor fellow who is working for a fixed salary.

I do not agree with the Senator from Texas that Federal Government employees are underpaid. I do not subscribe to that statement.

Mr. WILLIAMS of Delaware. I thank the Senator from Ohio for his contribution to this argument.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS of Delaware. Mr. President, how much time is left to each side?

The PRESIDING OFFICER. The Senator from Delaware has 20 minutes remaining, and the Senator from Texas has 37 minutes.

Mr. WILLIAMS of Delaware. I do not believe that we shall need all that time. I understand that the Senator from Florida has an 8- to 10-minute statement which he wishes to make. I ask unanimous consent that he be recognized so that he may make his statement, the time not to be charged to either side.

Mr. YARBOROUGH. Mr. President, I object—not to the Senator from Florida speaking, but I believe that we are about ready to vote on the bill.

Mr. WILLIAMS of Delaware. Then I am willing to yield to the Senator from Florida 8 minutes out of my own time for the purpose of making his statement.

Mr. YARBOROUGH. The Appropriations Committee is meeting to hear Secretary of State Dean Rusk on a very important matter in executive session. Most of us on that committee are anxious to attend the hearing.

Mr. WILLIAMS of Delaware. Mr. President, I yield 8 minutes on my own time to the Senator from Florida. If he needs any additional time, I will submit an amendment so that he may get whatever time he desires.

The PRESIDING OFFICER. Is there objection?

THE 400TH ANNIVERSARY OF SETTLEMENT OF ST. AUGUSTINE, FLA.

Mr. HOLLAND. I thank the Senator from Delaware for yielding to me. I am sorry I did not advise the Senator from Texas that it would be my intention to speak and as to what would be the subject of my remarks, because I know that both of us wish to hear the Secretary of State at the hearing now underway.

Mr. YARBOROUGH. Mr. President, I have no objection to listening to the Senator from Florida. I merely object to extending the time——

Mr. HOLLAND. I understand. I should like to make it plain that nothing less than an urgent subject matter would have prompted me to ask for any time just now for I, too, wish to be at the hearings on the foreign aid bill. Later I must attend a conference on appropriations. I believe that the distinguished Senator and I both wish we had more time this afternoon. But today is the 400th anniversary of the permanent settlement of what is now the continental United States. It was on this day, 400 years ago, that Pedro Menendez de Aviles of Spain landed at St. Augustine. That little city has been permanently occupied every day since that time.

Mr. YARBOROUGH. I commend the Senator from Florida.

Mr. President, I withdraw the objection that I made. I agree that this subject is worthy of comment at this time.

The shoreline of my State was mapped in 1519 by one of the great Spanish explorers, Piñeda. It is still a good map of the shoreline of the Gulf of Mexico.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. HOLLAND. I was sure that my distinguished friend the Senator from Texas would wish to know about this quadricentennial. I am not boasting, but only relating the fact that when the shoreline of Florida was discovered in 1513, it received its name from the fact that its Spanish discoverer, Ponce de Leon, discovered it on an Easter day when the flowers were in full bloom everywhere, and he gave it the name "Florida" to symbolize the flowery welcome which the Spanish discoverers found when they got there.

Mr. President, this is a great day for my State, for several other great States of our Nation, for most of Latin America, and for Spain, which truly is the mother country of so much of our Nation and of this Western Hemisphere.

Today, September 8, 1965, is the 400th anniversary of the settlement of St. Augustine, Fla., by the original Spanish pioneers, the first Europeans to establish a permanent settlement in what is now the continental portion of the United States of America.

It was my great pleasure to spend last weekend at occasions which marked the formal opening of the quadricentennial celebration.

On Thursday night, Mrs. Holland and I were guests of the Spanish Ambassador, the Marquis de Merry del Val, and his wife, at the Spanish Embassy in Washington at a dinner given in honor of the distinguished eight-man official delegation from Spain, and their ladies. It was attended by many officials of our country and of Latin American nations. Friday noon I attended a luncheon at the Department of Interior given by Secretary Udall in honor of our Spanish guests.

Saturday I presided at the dedication of the Pan American Building at St. Augustine where Ambassador Plate of Paraguay, chairman of the Organization of American States, was the principal speaker. That night we were guests at a large dinner given by the city of St. Augustine at which the speakers were Mayor John D. Bailey, the Minister of Interior of Spain, Lt. Gen. Camilo Alonso Vega, who was head of the Spanish delegation, Secretary-General Jose A. Mora of the OAS, and Secretary of State Tom Adams of Florida.

Sunday morning we attended a dignified outdoor Mass at the Nombre de Dios Shrine at the spot where the Spaniards landed in 1565. Later we attended the dedication of the Florida Building by Gov. Haydon Burns and the Governor's luncheon where Governor Burns and the Hereditary Spanish Governor of Florida, the 19th descendant of Pedro Menendez, the first Spanish Governor, were guests of honor and principal speakers.

Mr. President, I think it is worthy of note that that worthy descendant of Pedro Menendez still holds the honorary title of Hereditary Adelantado of Florida.

Sunday afternoon I presided at the dedication of the Hispanic Garden and the unveiling there of a statue of Queen Isabella, and later at the dedication of the Spanish building, Casa del Hidalgo, a beautiful structure of native coquina planned by a noted Spanish architect who was present. The speakers were Gen. Alonso Vega and Secretary of the Interior Udall who were followed by Archbishop Hurley who gave the dedicatory blessing.

The actual anniversary of the landing of Pedro Menendez is today, September 8, and the Catholic Church is putting on a highly dignified celebration of the anniversary on this date which will be participated in by many high-ranking members of the clergy and other distinguished citizens from Spain, the Latin American countries and our own Nation. My distinguished colleague, Senator SMATHERS, is participating in that program today. I think it is appropriate to say that the Catholic Church has also spent a large sum in constructing additional edifices at and near the site of the Nombre de Dios Mission, including among others an imposing bridge, a mu-

seum and a library. I feel that this date—the 400th anniversary of the first permanent settlement by European people upon the mainland of the United States—is an event of such vast importance, calling attention as it does to the great debt which we owe to Spain, particularly in the States of Florida, Texas, New Mexico, Arizona, and California, though not limited to those areas, that it should be the subject of a permanent insertion in the CONGRESSIONAL RECORD.

I may add that the various programs at St. Augustine have been largely attended and warmly received. I feel sure that the 400th birthday of St. Augustine will be followed by greater unity in the Western Hemisphere and greater closeness with Spain as well as deeper appreciation of our Spanish heritage in Florida and indeed in much of our Nation and throughout Latin America.

I hope to have later for insertion in the RECORD the dedicatory speech of Ambassador Plate of Paraguay, the present Chairman of the Organization of American States, at the dedication of the Pan American Building, and the speech of the Spanish Minister of the Interior, Lt. Gen. Alonso Vega, dedicating the beautiful Spanish building. Unfortunately, I have not yet received English translations of these two eloquent and noteworthy addresses and I shall therefore ask at a later date that they be included in the CONGRESSIONAL RECORD along with the speech of Secretary Udall. I want at this time, however, to have printed in the RECORD as a part of my own remarks the eloquent speech of the Secretary-General of the OAS, Dr. Jose A. Mora, which was delivered by him at St. Augustine, upon the occasion of the 400th anniversary of the founding of the city of St. Augustine and the permanent settlement of Florida by Spain.

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

REMARKS OF THE SECRETARY GENERAL, ORGANIZATION OF AMERICAN STATES, DR. JOSE A. MORA, UPON THE OCCASION OF THE 400TH ANNIVERSARY OF THE FOUNDING OF THE CITY OF ST. AUGUSTINE, SEPTEMBER 4, 1965

The gathering to which we have come in celebration of the 400th anniversary of the founding of the city of St. Augustine has a significance which, to my way of thinking, far exceeds commemoration of a historical event or recollection of the past. I view it rather as opening a way to the future.

Today more than ever there is pressing need for us to go back to our continental beginnings for strength to build solidarity among the peoples of the New World. We have long been engaged in this effort, but we have often failed to recognize our common heritage to the extent that we should, and to draw upon those roots from which has sprung our American family of nations.

President Kennedy, who should ever be an inspiration to us, once said: "Too many Americans think that America was discovered in 1620, when the Pilgrims arrived in my State, forgetting the great adventure of the 16th and 17th centuries in the South and Southwest of the United States."

Indeed, as those present well know, it is here in St. Augustine, where the Spaniards first planted the Christian cross and established the earliest outpost of so-called Western civilization, that the oldest city in the United States is to be found. The name of Pedro Menéndez de Avilés has been inscribed forever on the roll of those whose mighty efforts have built the American nation of today. Other men, other races, other religions, other ideas, other movements have had their share in that great undertaking, but no one can question that the land of Florida has made a singularly fruitful contribution in human terms.

In the last analysis, Julian Ponce de León was not entirely mistaken in his fancyings. It is claimed that he had ambitions of great wealth, and, good Spaniard that he was, he thought the best way of achieving them lay in the discovery of the fountain of youth. Something of the enterprising spirit of the Spanish conquistador seems to be present in the soul of every man in the United States, not to speak of the American woman, who seems truly to have found the secret of eternal youth.

Spain, then, not only located in Florida the fountain of youth, but, better still, managed to establish that concept of the state for all time to come.

This is not all, however. The organizers of these events in celebration of the 400th anniversary of the founding of St. Augustine have kindly chosen to link therewith a tribute to the Organization of American States, which this year is observing its own 75th birthday. The memory of St. Augustine's historic past is thus joined with the present-day ideal of Pan Americanism. This association of ideas fills me with enthusiasm, for it contains a profound truth.

In our present world, the nations of North, Central, and South America have resolved to present a common front against any challenge to the democratic ideals which have taken such firm root in our soil. We cannot agree to our inclusion in a heterogeneous "third world" of neutrals. We seek to be members of a great Atlantic community, the heirs and propagators of the great liberal tradition of Western civilization.

We do well to hold fast to our ancient past, as represented by St. Augustine and the exploits of those bold adventurers from Spain who, to our everlasting amazement, explored so great a part of the territory of the United States in a scant 50 years after the discovery. United and strengthened in our recollections of those brave deeds, we face the future with increased confidence.

The Organization of American States was founded to aid us in our resolve. In the name of our peoples we have proclaimed the moral and political principles that are to guide us in the work of civilization begun by our ancestors. We are convinced, as the charter of the Organization says, that the historic mission of America is to offer man a land of liberty, and a favorable environment for the development of his personality and the realization of his just ambitions.

Florida bears every mark of being created to serve inter-American communion. It forms a bridge between north and south, a ground provided by geography for meeting, for understanding, and for cultural interchange. Here Spanish mingles with English in a medley which may threaten the purity of both, but which serves admirably for increasing fraternization. The work of good will is splendidly promoted by the spirit of friendly cooperation evidenced both by the authorities and the people of the state. Commercial and social intercourse here encounters the most favorable of environments. The rapidly growing wealth of the state gives impulse to Latin American prosperity in addition to benefiting the United States.

I therefore salute this day the achievement of those men who in government, private industry, labor, the universities, and all sectors of the population have, by their efforts, transformed Florida into one of the splendors of civilization. This peninsula, in which the Spanish conquistadors discovered the germs of future greatness of a country to be, serves the Americans of today as a gateway to the heavens. Here the dreams of science become reality as man embarks upon the conquest of the universe. The cross traced on the sands by the Spanish explorer today is replaced by a cross drawn in the air by jets flashing in horizontal flight from continent to continent and rockets shooting vertically toward the reaches of outer space.

This, to my mind, is what Florida really represents—a new civilization, which offers man all the instruments needed for achieving his own happiness and that of his children, and for winning the battle for a lasting peace that will benefit all people of the earth.

The spirit of the OAS will always be present here, for the interests of the Organization are one with the ideals which have been so firmly implanted in this soil. Not far off our American brothers in other countries are laboring toward the same goals. To them we must lend a helping hand in their struggle for liberty. I am sure that this feeling is shared by the leaders of this State. With their cooperation and that of men throughout the Americas, our presence in Florida will be increasingly fruitful in benefits to mankind.

In our efforts to build a better future, we shall ever be guided by the remembrance of this city of St. Augustine, which forms so rich a portion of our heritage. For we shall recall that here was first implanted the civilization that binds Americans as brothers, and that here were first raised, on behalf of our continent, the prayers that unite man with God.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Delaware and the distinguished Senator from Texas for yielding to me.

Mr. YARBOROUGH. Mr. President, I commend the distinguished senior Senator from Florida for the timeliness of his speech and for the condensation and the brevity of his remarks which covered so much in so few words.

CERTAIN INCREASES IN ANNUITIES PAYABLE FROM THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The Senate resumed the consideration of the bill (H.R. 8469) to provide certain increases in annuities payable from the Civil Service Retirement and Disability Fund, and for other purposes.

Mr. LAUSCHE. Mr. President, I ask for the yeas and nays on the pending bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

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

Mr. KUCHEL. Mr. President, did we ask for the yeas and nays on a motion to recommit made by the distinguished senior Senator from Delaware?

Mr. WILLIAMS of Delaware. I did not make a motion to recommit. The yeas and nays were ordered on the passage of the bill. However, I am willing to make a motion to recommit.

Mr. YARBOROUGH. Mr. President, the Senator from Oklahoma is the chairman of the committee. I believe that we should first hear from the distinguished chairman of the committee.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. Mr. President, have the yeas and nays been ordered on passage?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The Senator from Oklahoma is recognized for 5 minutes.

Mr. MONRONEY. Mr. President, for 5 minutes I will express my wholehearted support of H.R. 8469. I also wish to express my sincere appreciation to the senior Senator from Texas for his leadership in guiding this important legislation through the Retirement Subcommittee and the full Committee on Post Office and Civil Service. Senator YARBOROUGH conducted 2 days of important and very informative public hearings on H.R. 8469. In our discussion of this bill in Committee, his knowledge of the subject matter was an invaluable aid to us all in coming to our decisions.

H.R. 8469 increases the annuities of our retired classified and postal employees. It revises the amendments made in 1962 to the Civil Service Retirement Act so that the administrative process of adjusting annuities according to the cost of living will work more effectively. Time has proven that the 1962 amendments were to a certain extent defective and did not fulfill the aims which Congress hoped for. We believe the change from an annual to a monthly basis for determining the cost-of-living increases will benefit both the retired employees and the Civil Service Commission which administers the program.

I am in complete agreement with the distinguished ranking minority member of the Committee on Post Office and Civil Service, the former chairman of the committee during the 83d Congress, that in fact this bill does not change the 3-percent formula for adjusting annuities. It is a case of Tweedledee or Tweedledum. The bill before us only changes the method of determining when these 3-percent adjustments shall be made. Present law requires determination on an annual basis; the bill before us requires a monthly determination. By changing to a monthly basis—a change which the administration approves—a more accurate and equitable system will be achieved.

I add my support to the committee's decision to delay any substantive changes in the Retirement Act until the Congress has an opportunity to study the results of the President's Committee on Federal Staff Retirement Plans. This special panel has held several days of public hearings this year and has heard the views of both employee organizations and experts in the field of retirement programs. There is no doubt that changes will be proposed in the Retirement Act to correct its deficiencies and improve its fiscal soundness. The chairman of the Civil Service Commission, the Honorable John W. Macy, Jr., assured the Retirement Subcommittee of that when he testified before them in August.

The survivor annuity provision of the act, which provided for an increase of 5 percent, was eliminated from the bill. The elimination of this provision affords a saving of approximately $58 million level cost over the years. In the 55th year, it is estimated that there would be a saving of $121 million. That provision was cut out of the bill, until we can give the matter further study. We have given this matter very careful attention.

There are several areas where improvements can be made. The survivor annuity provisions of the act for short-term employees are an area of major concern, both to the President's Committee and to the Senate committee. But I agree with the senior Senator from Texas and the decision of the full committee to defer action until the important evidence and conclusions of the President's Committee can be studied by Congress.

Finally, Mr. President, I wish to impress upon my colleagues that these are not mere figures with which we deal. "Cost-of-living percentage increases," "base months," "Consumer Price Index statistics"—all of these terms which go into the statutory language of the Civil Service Retirement Act, are by themselves cold and meaningless terms.

We are talking about people, human beings. These are the retired, aged, Federal employees who have worked many years, most of them during times when Federal salaries were far below salaries in private enterprise, and are now living on their retirement annuities and whatever other money, if any, they have.

Even today we are confronted with the problem of making salary adjustments that will afford comparability to Federal employees. Most Federal employees make less than comparable employees in private industry. The increases come late. There is always a time lag before the Federal employee receives a raise. We are talking about people who have to suffer the hard, grinding fact of the inflationary process, which continues to take place.

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

Mr. YARBOROUGH. Mr. President, I yield 5 additional minutes to the Senator from Oklahoma.

Mr. MONRONEY. Ninety-seven percent of all surviving annuitants receive less than $200 a month.

I do not believe this is a time when Congress should find that annuitants who live on less than $200 a month are receiving a sufficient amount. It is not enough to live on in any decent standard.

H.R. 8469 would be a major progressive step to help these people.

I repeat, we have made this bill conform in large measure to the ideas of the administration. We have eliminated a provision in the bill passed by the House; namely, an increase of survivors' annuity benefits by 5 percent without additional payment on the part of the employee. Our action eliminates a severe drain that would have occurred with respect to the fund.

In regard to the cost-of-living increases, the 3-percent increase takes place over a 3-month period, instead of over a 12-month period. Actually, there is now a 15-month time lapse. This bill eliminates that time lag.

Nobody has noticed that the cost-of-living index has come down enough so that we would have to start worrying about de-escalation in future years. There is no record in our present history indicating that there will be a decrease in the cost of living.

The bill which the distinguished Senator from Texas has brought to the Senate is fair to the employee; it is fair to the retiree; and it is fair to the U.S. Government.

One can talk all he wants about building up the deficit in the civil service retirement fund. I grant Senators that if we killed the intake from the fund as of today, we would have the deficit that has been mentioned, some $40 billion, representing the acquired unfunded liability for which the fund is committed. Let me assure my colleagues that the Committee on Post Office and Civil Service will give this problem our most careful consideration next year. I repeat, there is no increase in the cost-of-living payment; there is involved merely a new method of determining when the adjustments shall be made.

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

Mr. WILLIAMS of Delaware. Mr. President, I shall move to recommit the bill, but before making the motion I point out again that the President has appointed a commission to make a study and make recommendations not later than December 1.

We should postpone action here today until we get that report.

The unfunded liability of the retirement fund today is about $40 billion. Enactment of the bill would add another $1 billion to this unfunded liability. There is no provision with which to pay the cost of the benefits being authorized.

We cannot escape the fact that if these liberalized provisions are enacted they will have a mathematical effect of further depleting a fund that is already overdrawn. Every retiree will have his retirement computed under the higher formula, plus an increase of 2 percent, plus another increase of 6.5 percent, plus further increases of 3 percent every time there is a rise in the cost of living. All of these increases and no means to pay for them.

The bill would give Government employees, including ourselves, a built-in protection or a hedge against any inflation resulting from our own reckless spending.

There is merit to some parts of this bill, but the very least we can do is postpone action until after receipt of the report and recommendations from the President's Commission.

For that reason I move that the bill be recommitted.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I am willing to yield back my time on the motion.

The PRESIDING OFFICER. Who yields time?

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

Mr. DIRKSEN. Mr. President, will the Senator withhold that request?

Mr. WILLIAMS of Delaware. I withhold my time, and yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, may I ask the Senator from Texas how this annual amount will be appropriated?

Mr. YARBOROUGH. The increase will be paid out of the retirement fund.

Mr. DIRKSEN. If we are to shove the fund deeper and deeper into the red—the statement has been made that the bill would increase withdrawals from the fund by over $1 billion—we add that much to all the unfunded liabilities.

In view of the fact that within 2 months a Cabinet Committee is to make its report on retirement for the civil establishment, it is the best reason I know of why the bill should go back to committee and why the motion to recommit should be sustained.

Mr. WILLIAMS of Delaware. Mr. President, I now yield back all time on my motion.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit made by the Senator from Delaware [Mr. WILLIAMS].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from South Carolina [Mr. RUSSELL], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Ohio [Mr. YOUNG], and the Senator from Louisiana [Mr. ELLENDER] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], and the Senator from Virginia [Mr. ROBERTSON] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], the Senator from South Carolina [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. MUNDT] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON] is detained on official business and if present and voting would vote "nay."

The result was announced—yeas 20, nays 61, as follows:

[No. 250 Leg.]

YEAS—20

Aiken	Hickenlooper	Pearson
Bennett	Holland	Prouty
Cooper	Hruska	Saltonstall
Curtis	Jordan, Idaho	Simpson
Dirksen	Kuchel	Tower
Dominick	Lausche	Williams, Del.
Fannin	Murphy	

NAYS—61

Allott	Hayden	Moss
Bass	Hill	Nelson
Bayh	Inouye	Neuberger
Bible	Jackson	Pastore
Boggs	Javits	Pell
Brewster	Jordan, N.C.	Proxmire
Burdick	Long, Mo.	Randolph
Byrd, W. Va.	Long, La.	Ribicoff
Cannon	Magnuson	Scott
Carlson	Mansfield	Smith
Case	McClellan	Sparkman
Clark	McGee	Stennis
Dodd	McIntyre	Symington
Douglas	McNamara	Talmadge
Eastland	Metcalf	Thurmond
Ervin	Miller	Tydings
Fong	Mondale	Williams, N.J.
Gruening	Monroney	Yarborough
Harris	Montoya	Young, N. Dak.
Hart	Morse	
Hartke	Morton	

NOT VOTING—19

Anderson	Gore	Robertson
Bartlett	Kennedy, Mass.	Russell, S.C.
Byrd, Va.	Kennedy, N.Y.	Russell, Ga.
Church	McCarthy	Smathers
Cotton	McGovern	Young, Ohio
Ellender	Mundt	
Fulbright	Muskie	

So the motion of Mr. WILLIAMS of Delaware to recommit was rejected.

Mr. WILLIAMS of Delaware. Mr. President, I yield 2 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, the bill, H.R. 8469, has a very worthy purpose, to extend to retired annuitants formerly in the employ of the U.S. Government increased benefits to meet in some measure the increased cost of living, and I support that objective. But, as has become the practice in the last few years, the bill provides for increased payments but without any funds from which the Federal Government can make the payments over the years.

The trust fund from which payments are made and into which employees have paid their contributions or taxes from their earnings presently amounts to approximately $17 billion—a very large sum. Unfortunately, the Federal Government has not paid its full share required by law into this fund, and the deficit on an actuarial basis amounts to the staggering sum of over $40 billion. This means that if these payments are not made by the Federal Government, it will not be able to make the payments that it has promised to its beneficiaries, in anticipation of which they have paid into the fund a large percentage of their earnings.

If the pending bill is passed it would, as I have said, provide no funds for the payment of the increased benefits, and the deficit of over $40 billion would be increased by another billion dollars. But worst of all, as has been the case in recent years, the bill provides a windfall for Members of Congress. Those who are or become entitled to retirement benefits would immediately receive an increase of from 6 to 11 percent. Thereafter the cost-of-living increases in the amount of 3 percent calculated over a consecutive 3-month period would bring an increase but never below the initial percentage increase or any additional cost-of-living upward increases, thus locking in the changes that were included.

I voted for the motion to recommit the bill, for the purpose of having the committee strike from it these windfall benefits and to restrict it to the retirees who actually need the cost-of-living increases. This bill has been labeled as a bill for the retirees who need the increase, and it should be for them. This bill should also make provision for the Federal Government to pay the necessary amount for the increases in payments into the fund, so that the retirees who are to get the benefits will be assured of them.

Since the motion to recommit—a motion that would have brought the bill into accord with its advertised purpose to help those who need the increase—was defeated, I cannot vote for a bill which would provide benefits for some who do not need them now, which would not require the Government to make the additional payments necessary to fund the benefits, and which would increase the deficit to over $40 billion owed to cover all the benefits.

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

Mr. WILLIAMS of Delaware. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired.

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.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. INOUYE. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], and the Senator from Virginia [Mr. ROBERTSON] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from

Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. MUNDT] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON] is detained on official business, and, if present and voting, would vote "yea."

The result was announced—yeas 73, nays 10, as follows:

[No. 251 Leg.]

YEAS—73

Aiken	Hill	Neuberger
Allott	Holland	Pastore
Bass	Inouye	Pearson
Bayh	Jackson	Pell
Bible	Javits	Prouty
Boggs	Jordan, N.C.	Proxmire
Brewster	Jordan, Idaho	Randolph
Burdick	Kuchel	Ribicoff
Byrd, W. Va.	Long, Mo.	Russell, S.C.
Cannon	Magnuson	Russell, Ga.
Carlson	Mansfield	Saltonstall
Case	McClellan	Scott
Clark	McGee	Smith
Dodd	McIntyre	Sparkman
Douglas	McNamara	Stennis
Eastland	Metcalf	Symington
Ellender	Miller	Talmadge
Ervin	Mondale	Thurmond
Fong	Monroney	Tower
Gruening	Montoya	Tydings
Harris	Morse	Williams, N.J.
Hart	Morton	Yarborough
Hartke	Moss	Young, N. Dak.
Hayden	Murphy	
Hickenlooper	Nelson	

NAYS—10

Bennett	Dominick	Simpson
Cooper	Fannin	Williams, Del.
Curtis	Hruska	
Dirksen	Lausche	

NOT VOTING—17

Anderson	Gore	Mundt
Bartlett	Kennedy, Mass.	Muskie
Byrd, Va.	Kennedy, N.Y.	Robertson
Church	Long, La.	Smathers
Cotton	McCarthy	Young, Ohio
Fulbright	McGovern	

So the bill (H.R. 8469) was passed.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President——

Mr. YARBOROUGH. Mr. President, will the Senator yield to me for 1 minute?

Mr. MANSFIELD. I yield.

Mr. YARBOROUGH. As the floor manager of the bill which has just passed, I express my appreciation for the skill, the aid, and the discussion from the distinguished majority leader and the chairman of the full committee, the distinguished senior Senator from Oklahoma [Mr. MONRONEY], as well as the aid from the ranking minority member of the committee, the distinguished senior Senator from Kansas [Mr. CARLSON], who made a notable contribution, both in the hearings and on the floor of the Senate.

I thank the distinguished members of the opposition for precisely stating their opposition and aiding in the passage of the bill.

I commend the distinguished minority leader and the distinguished senior Senator from Delaware for expediting the work of the Senate.

Mr. MANSFIELD. Mr. President, I want to take this opportunity to congratulate the participants in the debate on H.R. 8469, an act to provide certain increases in annuities payable to civil service retirement annuitants. The able senior Senator from Texas [Mr. YARBOROUGH], assisted by the distinguished senior Senator from Oklahoma [Mr. MONRONEY], managed this bill in a thorough and efficient fashion. Skillful debate and careful analysis were the tools of other participants in discussion of the bill on both sides of the aisle. I refer specifically to the senior Senator from Delaware [Mr. WILLIAMS] and the senior Senator from Ohio [Mr. LAUSCHE] who skillfully discussed the funding problems related to the annuity increases.

In short, it was a discussion of the typically high quality of this body, and I congratulate the Senate on passage of this measure of great significance to retired civil servants and to the country.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

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. 20) to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 2305. An act for the relief of Zenaida Quijano Lazaro; and

H.R. 3128. An act for the relief of Angelo Iannuzzi.

The message further announced that the House had agreed to the amendments of the Senate to the joint resolution (H.J. Res. 504) to facilitate the admission into the United States of certain aliens.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 10586) making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FOGARTY, Mr. DENTON, Mr. FLOOD, Mr. MAHON, Mr. LAIRD, Mr. MICHEL, and Mr. BOW were appointed managers on the part of the House at the conference.

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

H.R. 2853. An act to amend title 17, United States Code, with relation to the fees to be charged;

H.R. 7888. An act providing for the extension of patent numbered D–119,187;

H.R. 8917. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Omaha Tribe of Nebraska, and for other purposes;

H.R. 9545. An act providing for the acquisition and preservation by the United States of certain items of evidence pertaining to the assassination of President John F. Kennedy;

H.R. 9778. An act to amend titles 10 and 37, United States Code, to codify recent military law, and to improve the Code;

H.R. 9867. An act to provide penalties for the use of the interstate route marker for commercial purposes;

H.R. 9877. An act to amend the act of January 30, 1913, as amended, to remove certain restrictions on the American Hospital of Paris;

H.R. 10206. An act to amend the Agricultural Adjustment Act of 1933, as amended, and reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended;

H.R. 10234. An act to amend section 1085 of title 10, United States Code, to eliminate the reimbursement procedure required among the medical facilities of the Armed Forces under the jurisdiction of the military departments;

H.R. 10366. An act to establish the Mount Rogers National Recreation Area in the Jefferson National Forest in Virginia, and for other purposes; and

H.R. 10369. An act to give the consent of Congress to the States of Connecticut, Rhode Island, and Vermont to enter into a compact providing for bus taxation proration and reciprocity.

HOUSE BILLS REFERRED

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

H.R. 2853. An act to amend title 17, United States Code, with relation to the fees to be charged;

H.R. 7888. An act providing for the extension of patent numbered D–119,187;

H.R. 9545. An act providing for the acquisition and preservation by the United States of certain items of evidence pertaining to the assassination of President John F. Kennedy;

H.R. 9778. An act to amend titles 10 and 37, United States Code, to codify recent military law, and to improve the code;

H.R. 9867. An act to provide penalties for the use of the interstate route marker for commercial purposes;

H.R. 9877. An act to amend the act of January 30, 1913, as amended, to remove certain restrictions on the American Hospital of Paris; and

H.R. 10369. An act to give the consent of Congress to the States of Connecticut, Rhode Island, and Vermont to enter into a compact providing for bus taxation proration and reciprocity; to the Committee on the Judiciary.

H.R. 8917. An act to provide for the disposition of funds appropriated to pay a judg-

ment in favor of the Omaha Tribe of Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 10206. An act to amend the Agricultural Adjustment Act of 1933, as amended, and reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended; and

H.R. 10366. An act to establish the Mount Rogers National Recreation Area in the Jefferson National Forest in Virginia, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 10234. An act to amend section 1085 of title 10, United States Code, to eliminate the reimbursement procedure required among the medical facilities of the Armed Forces under the jurisdiction of the military departments; to the Committee on Armed Services.

LAW ENFORCEMENT ASSISTANCE ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 655, H.R. 8027.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8027) to provide assistance in training State and local law enforcement officers and other personnel, and in improving capabilities, techniques, and practices in State and local law enforcement and prevention and control of crime, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. HART. Mr. President, the bill now before the Senate, H.R. 8027, would provide assistance in training State and local law enforcement officers and other personnel, and in improving capabilities, techniques, and practices in State and local law enforcement and prevention and control of crime.

The bill is the culmination of some 4 years of effort. We find ourselves, at this point, on the eve, I hope, of passing the bill, due, in large part, to the concern voiced by the President in his crime message in March of this year. In that message he submitted a recommendation which is embodied in the bill now before the Senate.

The bill would bolster present training programs for local law enforcement and would support the development of new training methods. Fighting crime effectively under modern conditions and maintaining law and order requires professional police who are expertly trained in a variety of skills. The Federal Government now provides financial assistance for research and training in other professions—science, mathematics, foreign languages, medicine, nursing. Trained, professional law enforcement personnel are fully as essential to the preservation of our national health and strength—and are no less deserving of increased Federal support.

The bill provides also for Federal support for the development of improved methods of enforcing criminal laws and administering justice. For example, experiments might be undertaken with different kinds and intensity of police coverage in high crime districts in order to learn more about the effective allocation of manpower. The effectiveness of different communication and alarm studies might be studied. By pilot projects in the administration of justice, we may find ways of making the judicial process fairer and speedier and the correctional process more effective.

The dissemination of information about projects supported under the Law Enforcement Assistance Act will be of substantial value to other communities in designing their own crime control programs.

In short, the main purpose of the bill is to authorize the Attorney General to make grants for the training of State and local law enforcement personnel. It would be limited to a 3-year period, and it would authorize also the making of grants for projects designed to improve local law enforcement.

Nothing in the bill would authorize any Federal department or officer to supervise or control the organization of the operation or personnel of any State or local police force.

Section 7 of the bill expressly states that provision.

The Senate is indebted to the distinguished senior Senator from North Carolina [Mr. ERVIN], who presided at hearings for many days and developed a thorough record on which we now present to the Senate our recommendation for the passage of the bill.

Senator ERVIN was the chairman of a special committee created by the Committee on the Judiciary. I believe that those who take the time to go into the record made by that subcommittee will realize the sweep and scope of the broad support voiced for the legislation. Certainly I, who as early as 1961 introduced proposed legislation, as well as other Senators, are in his debt.

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

Mr. HART. I yield.

Mr. MOSS. First, I commend the Senator from Michigan for his efforts, which I have been aware of for some time, in connection with the bill.

Does the bill in any way delegate authority so as to deprive local law enforcement officers of any of their jurisdiction and authority?

Mr. HART. The Senator from Utah himself has long been concerned with this problem and has introduced proposed legislation respecting the situation.

The answer to his question is "No." To insure that there is no misunderstanding, section 7 of the bill makes clear that nothing contained in the bill shall be construed to authorize Federal control or supervision over the organization, administration, or personnel of any State or local police force or other law enforcement agency.

Mr. MOSS. I appreciate the Senator's assurance that the bill in no way changes the traditional and longstanding provision of jurisdiction in our Federal Republic that law enforcement basically remains a local function in the hands of local authorities, community, city, or State, and that the proposed legislation is designed merely to aid and assist in the training and qualification of local law enforcement personnel to use the modern tools of detection in the field of law enforcement.

I believe that this is the place where Federal weight should be felt in assistance and in stimulating the kind of modern techniques that have been developed, but have been somewhat beyond the reach of some of the smaller jurisdictions for monetary and other reasons.

It seems to me that the bill has the genius of again giving assistance and offering incentives and aid to local law enforcement agencies without in any way changing their responsibility or delegating it in any way.

I commend the Senator from Michigan for his leadership in this field and express my strong support of the bill that is now before the Senate.

Mr. HART. I thank the Senator from Utah for the contributions he has made.

Mr. ERVIN. Mr. President, it may be that what I say may well induce the belief in the minds of some Senators that the Senator from Michigan and I are something of a mutual admiration society. I thank him for his most gracious statements concerning my conduct of the hearings as chairman of the ad hoc subcommittee which considered the pending bill.

Let me bear testimony, however, to the fact that the able and distinguished Senator from Michigan is the author of the bill and that we are indebted to him for bringing it to fruition. He deserves the thanks of the country for so doing, because he had a very large part in contacting persons in various areas of the country interested in the problem, and in assisting the subcommittee in bringing to the hearing outstanding experts in the field from all areas of the country and from all levels of law enforcement.

Mr. President, I have been interested in this field for many years. We have had a unique experience in North Carolina in this area. A college mate of mine, Albert Coates, who attended the University of North Carolina and also the Harvard Law School with me, conceived the idea many years ago of providing schools for the education of State and local officials on the duties of their offices and the procedures which they could use in the performance of those duties.

As a result of his efforts, the Institute of Government in Chapel Hill, N.C., came into existence, and for several decades has been conducting courses each year for State and local officials in North Carolina. Among its other activities, it has conducted schools in law enforcement for sheriffs, deputy sheriffs, and police officers, not only as to the duties of their offices, but also as to the best techniques for performing those duties. The institute also publishes many excellent and informative pamphlets, handbooks, and manuals which detail the newest laws, court decrees, and detection techniques for the benefit of local officers.

The Nation owes a great debt to Albert Coates for his pioneering, which has led to similar programs in other States and, now, to a national program.

Mr. President, the problem of police training was brought home to me in an emphatic way when I was a member of the Supreme Court of North Carolina. It fell to my lot to write an opinion on the question of whether a municipality in North Carolina had the implied power, under our statutes, to send law enforcement officers at taxpayers expense to the schools conducted by the Federal Bureau of Investigation. We had a statute which placed upon a municipality the duty of providing police officers to afford police protection to its citizens, but the statute was silent on the question of whether a municipality could use tax funds for the purpose of defraying the expenses of law enforcement officers at such schools.

I wrote the opinion, which was handed down by a divided court, to the effect that the duty which the statute imposed upon a municipality to afford police protection to its citizens embraced the implied power to use tax moneys to defray the necessary expenses of education of law enforcement officers.

It seemed to me that we could not make a good police officer merely by giving a man a uniform and a billy club and then turning him loose to perform duties concerning which he had little understanding, and requiring him to perform those duties in accordance with lawful procedures.

I believe that the pending bill represents a great forward step in the field of proper law enforcement in the United States. All of us are aware of the growing crime rate in the United States, and of the necessity not only of having law enforcement officers to protect society against criminals, but also of the necessity of instructing those law enforcement officers in respect to their duties, in respect to their powers, and in respect to the best techniques which have been developed for the performance of those duties and the exercise of those powers.

As chairman of the ad hoc subcommittee which considered the pending bill, introduced by the able and distinguished Senator from Michigan, for himself and other Senators interested in this field, I was struck by the fact that we had such a high quality of witnesses appearing before the subcommittee—as I say, from every level of law enforcement work in the Nation, and by the fact that they were unanimously of the opinion that the bill should be approved by Congress.

Therefore, I congratulate the Senator from Michigan and his associates who cosponsored the bill, for their work in introducing the bill and for their work in examining witnesses to justify the bill. I believe that this is a great forward step in the protection of society against those who would violate the laws of the land.

Mr. President, it is my understanding H.R. 8027 is a most important part of the administration's program. It is my opinion that it may be the most important part, for, as I have stated before, crime is one of the gravest problems facing the United States today; and the nationwide war on this front is as imperative as our continuing war on poverty and unemployment.

This Nation is in trouble, and our rising crime rate proves it. It is also clear that we do not know the answers and we must begin immediately to find them out.

It once was thought that the crime rate fluctuated in proportion to our prosperity—that during periods of recession more people are forced or wander over to the wrong side of the law because of their poverty and frustration. We know now that the maintenance of prosperity does not mean the reduction of crime. The Nation's last recession was in 1958; and in the 7 years of unparalleled prosperity that have elapsed since, crimes of violence have increased at a rate of almost six times that of the population. The overall crime rate increased 13 percent between the years 1963 and 1964. We are unfortunately lacking in the knowledge of both the causes of this increase and the means to combat it.

The problem is especially complex for Congress because of the limitations it faces in searching for solutions. We cannot and should not establish a Federal police force; we cannot and should not attempt to write, enforce, or interpret the laws of the States; and we cannot and should not dictate the methods and tools to those responsible at the State level. As the President stated in his message to Congress, "the principal enforcement responsibility still rests on State and local governments."

Therefore, we must continue to trust in the people of the States and the subdivisions of the States to find the means to protect their own lives and property. There are, however, methods by which we may provide them with the tools and training by which they can better exercise their responsibility.

For instance, the Federal Government can help develop and instruct in the most modern training techniques, detention devices and rehabilitation programs; and it can act as a clearing house so that information of the progress of one State is available to all. These are the only proper responsibilities of the Federal Government in this area, and, as I understand the bill, these are the responsibilities we seek to meet.

Mr. President, the $10 million we seek is indeed modest to meet the problem we face. In fact, I would say that it is the biggest bargain in our administration's budget. The importance, however, to the administration, the local enforcement officials around the country, and, most of all, to the American people we seek to protect must not be underestimated.

Mr. HART. I thank the Senator from North Carolina for his comments.

Mr. KUCHEL. Mr. President, the pending legislation is surely in the public interest and an excellent step forward with respect to improving relations between the Federal Government and the several States in the field of law enforcement. I look forward to voting for it, and to its speedy enactment into law. I congratulate the Senator from Michigan and other members of the Judiciary Committee which sent it to the Senate.

Earlier, I spoke at considerable length with the able Senator from Nebraska [Mr. HRUSKA] concerning the hopes which have been voiced by law enforcement officials in the State from which I come; namely, California, that the bill might be amended in order to provide that the advisory committee set up in the pending legislation include "practicing law enforcement officials" to the extent of half the membership.

I believe that the position which the Peace Officers Association of the State of California takes is likewise in the public interest. I voice some regret that the bill has not reflected a specific requirement that the Attorney General include "practicing law enforcement officials" in the selection of his advisory committee.

However, as the Senator from Nebraska has pointed out, the pending bill needs to be enacted into law with as much reasonable speed as possible. Under those circumstances, I feel somewhat constrained to enter into colloquy for a moment with the Senator in charge of the bill, in an effort to establish some legislative history.

Therefore, with that brief comment, I ask the Senator from Michigan whether, under the intention of the bill, as he understands it, and under the present wording of that section which clothes the Attorney General with the authority to appoint an advisory committee, the Attorney General would be acting in accordance with the terms and intent of the bill if he included "practicing law enforcement officials" among the several States and local governments as the case might be, as members to serve on such a committee?

Mr. HART. Mr. President, those of us concerned with the passage of the bill are very grateful for the attitude expressed by the Senator from California with respect to an amendment which he considered offering.

I believe that all of us share his concern that the Attorney General not undertake to discharge the mission that would be assigned him by this legislation by turning only to academicians. I am sure that the Attorney General will, insofar as those of us in Congress who have been involved in the development of this legislation are concerned, seek the counsel and enlist the assistance of men and women who are professionally trained in the field of law enforcement, specifically those men who know what it is to pound a beat or respond in the dead of night.

Surely, the authorization and direction given to the Attorney General under section 8, to create these advisory committees is, in the minds of Congress, a suggestion that he turn, if not first, surely among the first, to those who know the immediate problem best, and that would be the career policeman whose concern has been voiced to us through the Senator from California.

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

Mr. HART. I yield.

Mr. HRUSKA. Mr. President, I join in the thoughts just expressed by the Senator from Michigan. I feel that the Attorney General will do at least two things in regard to the representation of police enforcement offices, law enforcement offices, in connection with the advisory committees. First, there will be representation on those committees. Second, I have an idea that the Attorney General, as he goes to work on the matter of implementing this act, will have probably two kinds of committees. One would be a national advisory committee, a guidance committee overall. The other would be probably either State or regional science committees. I have an idea and firm belief that the Attorney General will resort to enforcement officials to a very great degree, so that the desires of the California Peace Officers Association will be amply fulfilled.

I am grateful to the Senator from California for having refrained from pressing an amendment in this regard, to ask for any specific percentage of representatives on such committees. That would not be too well. It would make the process inflexible and a process that would probably work against the best interest of the legislation.

There would also be the matter of delaying this session of Congress, which we hope is drawing to a close. Were this bill to be returned to the House with a request for conference, the delay would be too long to get the measure enacted into law in this session.

I am sure that the inquiries of the Senator from California will be fully responded to by the Attorney General within the framework of the questions proposed.

Mr. KUCHEL. Mr. President, I express my enthusiastic thanks to the distinguished Senator from Nebraska [Mr. HRUSKA] and to the distinguished junior Senator from Michigan [Mr. HART].

I also believe that a useful purpose has been served in this colloquy to indicate the basic intention by which, when this bill will become law—and it surely will—regard will be given by the Attorney General to the field of professional law enforcement officers in choosing those groups to help him and to guide him. I thank both Senators very much.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a letter from the president of the Peace Officers Association of the State of California, addressed to me under date of July 7, 1965, and a letter addressed to me under date of August 20, 1965, by the distinguished Representative from the 38th District, Hon. JOHN V. TUNNEY, which encloses a letter to him from Sheriff Ben Clark of Riverside County in the State of California.

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

THE PEACE OFFICERS' ASSOCIATION
OF THE STATE OF CALIFORNIA, INC.,
Sacramento, Calif., July 7, 1965.

Hon. THOMAS H. KUCHEL,
Anaheim, Calif.

DEAR SENATOR KUCHEL: As you know, the California Peace Officers' Association, with a membership in excess of 7,000 lawmen, has continuously led the drive to further professionalize law enforcement throughout the State of California. Past accomplishments are a matter of record, and include the establishment of the Peace Officers Standards and Training Commission, which is now utilized as a model in many States throughout the Nation. Other programs include current development of record automation systems which will revolutionize many aspects of our work. In light of President Johnson's message on March 8, 1965, in which he expressed grave concern over the rising crime problem, we were all most pleased over the introduction of H.R. 6508.

We feel this bill, which deals with Federal assistance to local law enforcement agencies, is deserving of the highest praise and support. We do, however, feel that in order to strengthen the ability of the bill to produce concrete and lasting results of a positive nature, that section 8(a)(1) should be reworded or amended in the following manner:

"Section 8(a)(1). The Attorney General shall appoint an advisory committee to: Advise him in connection with the administration of this Act as he deems necessary; and establish criteria under section 5(b). The committee shall be composed of at least 50 percent practicing law enforcement officials."

This bill has been reviewed in its entirety by several of our association's subcommittees, as well as our executive committee. We feel that the change will assist in the development of positive programs with a lower outlay in monetary expenditures. The combined experience of law enforcement in this and other States, coupled with our desire to further professionalize the administration of criminal justice throughout the land should, in our opinion, be given forceful and practical recognition in the composition of the advisory committee.

California, as the Nation's most populous State, should be well represented on the President's Commission, and we would strongly support the appointment of the executive officer of the Commission on Peace Officers Standards and Training in California.

We sincerely hope that you will be able to assist us in obtaining the desired change in section 8, and in securing a seat on the President's Commission. Should you desire further information, please do not hesitate to contact us.

Sincerely,

PETER J. PITCHESS,
President.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 20, 1965.

The Honorable THOMAS KUCHEL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KUCHEL: At the present time, a bill to assist law enforcement officers is pending before the Senate Judiciary Committee.

Riverside County Sheriff Ben Clark has requested an amendment to the bill. I introduced a bill in the House incorporating his amendment, a copy of which is enclosed. Unfortunately the background information from Sheriff Clark arrived the day after the law enforcement bill passed the House.

The information in Sheriff Clark's letter, I believe clearly supports the inclusion of this amendment in the bill. I hope that after studying the amendment and the supporting information, you will lend your support to it both before the committee and when the bill reaches the floor of the Senate.

Thanking you for your consideration on this matter, I am

Sincerely,

JOHN V. TUNNEY,
Member of Congress.

JULY 28, 1965.

Re H.R. 6508; H.R. 9784.

JOHN V. TUNNEY,
Congressman, 38th California District,
Washington, D.C.

DEAR JOHN: I'm sorry I didn't get to talk to you last Saturday at the parade in Rubidoux but Mollie, the kids and I were back a ways in the parade.

You asked in your last letter, June 11, regarding the Law Enforcement Assistance Act to give you some information supporting our stand in changing section 8(a)(1) in 6508. When I received your letter I also received the material from the association that was sent to the California delegation and Governor Brown, plus I understood that the amendment was being introduced. A week or so ago I received a copy of 9784 where the change was made in section 8(a)(1). Now 9784 is in the form which I think will do the most good. Consequently, the comments here are in support of 9784. It is my understanding there will be a hearing on this in the next 10 days.

Today there is great concern in our society about the increase in the crime rate. From available figures we see that the crime incidence is outstripping the population growth each year. Over this same period of time there has been a more permissive attitude taken toward society from the cradle to the grave. The family unit is more permissive as well as most other forms of authority or discipline. The courts and treatment of offenders has become more permissive. Most of this changing attitude has its root in the "new" ideas advanced by sociologists and criminologists. The psychiatrist and psychologist has also gotten into the picture justifying this type of permissiveness.

Now that the crime rate has continued to climb, we find the sociologist and criminologist telling society, "don't become alarmed, we've always had crime and truly it is no greater today than in the past." They produce stories dating back 100 years to illustrate their points. Now, my feeling is that they are fighting for their very existence because in the past 10 to 20 years, we've been following their dictates and still crime increases so this in a way means they possibly were wrong.

It's good to see that the majority of people are genuinely concerned and want to take some action. It's good to see the leadership taken by the President. In his March 8 speech the President left little to the imagination on his feeling and the need for action now. Again on July 16, in a speech he reaffirmed his feeling and enlarged upon it by including his thought about the permissiveness of the courts and treatment offered.

These statements have provided the backing to law enforcement. We have contended for a long time that we were losing the battle against crime in our society. Now with this backing and the availability of a Federal program research can be undertaken, that is why H.R. 9784 would be of help to active law enforcement officials.

In its original form H.R. 6508, the idea was good but it lacked one (the most important) point—control. Not control over the Department of Justice, but rather over the program. Active and practicing law enforcement officials have had ideas about research in the criminal field for years but one of two things usually prevailed—lack of money to conduct the research or lack of interest by those who could have helped law enforcement.

Now if 9784 will pass and section 8(a)(1) is adhered to, the research can take place. It is important that those in the practicing field participate to draw up the criteria for the program. As I see it, we are after two major things in an effort to help stem this problem of crime: Improve the quality of police and find new ways to attack the problem whether it pertains to adult or juvenile.

In the first instance California has devised a plan for improving the quality of the police in its Peace Officer Standards and Training Act. This has been copied and is still being copied all over the United States. In this program, the law enforcement administrator sets up the program in the State. This was a law enforcement idea which proves that the administrator knows what needs to be done if he is provided the necessary financial and legal backing. Our program is a standardized program which now boasts of having over 97 percent of the residents of California being policed by men who have completed the program. This has really improved the quality of the police in California because men are selected on a higher standard and trained on a higher standard. I've enclosed the law that covers this program. We are still adding to the administration code on the program which is the real criteria for standardization.

Secondly, law enforcement has taken many steps in research where the backing is provided. Our department has a program underway now in the area of treatment for the checkwriter. It is a research program that could prove beneficial and be adopted in the entire State. Governor Brown has mentioned the program several times and has given the green light to the department of corrections, adult authority, and division of paroles. In the program, a man convicted of forging checks would not be sent to State prison but would be sentenced to the county jail where he would be a work furlough prisoner. He would remain employed, support his family, pay his board and room to the county, and make restitution to the victim. The sheriff would be the administrator of all his earnings and make the distribution. The man would be in custody all of the hours he was not gainfully employed.

When law enforcement is provided the backing, either locally, at the State or Federal level, things can and are being accomplished. With this Federal legislation and backing by the President active law enforcement can come up with answers to societies No. 1 problem—the crime incidence.

John, I hope that this statement is brief enough but not too brief. I feel strongly about the need for something to be done and hope we can have a part in seeing that it is accomplished.

Sincerely,

BEN CLARK,
Sheriff.

Mr. HRUSKA. Mr. President, this bill received very thorough inquiry on a very high level, and a very competent level so far as witnesses are concerned.

The Senator from North Carolina [Mr. ERVIN] presided with his usual efficiency and usual penetrating questions and understanding of the overall problem.

After all, in this business of crime, which is perhaps the No. 1 problem in America today domestically, we have the situation of the ordinary policeman and the law enforcement officer who has to be a combination of many things. He not only has to be an arresting officer, but he also has to be possessed of some knowledge of the law, have some attributes of a judge, a sociologist, a neighborhood counselor, and perhaps a parole officer. Most of these fields are highly technical. If he guesses wrong, there are technicalities that are asserted against him, not only by counsel for the defendant, but also far too frequently, and in the judgment of some, to too great a degree, by the man or woman who occupies the bench.

We will make an effort to provide the training that would withstand the onslaught of this type of thing which would not result in the best treatment of the problem of the apprehension of criminals and the prevention of crime, for which this bill is designed and which it has as its purpose.

Mr. President, there is one portion of the Law Enforcement Act, and particularly our committee's report on the bill, which merits special attention.

The committee, on my motion, has recommended that the Attorney General undertake a broadscale research effort to uncover the root causes of crime and to seek remedies to the crime problem.

The suggestion grew out of a conviction that crime in America is fast becoming our No. 1 domestic problem, if, indeed, it has not already attained that status. Our efforts at combating crime have been fragmented, uncoordinated, and, I fear, unimaginative.

What is required, and what the Judiciary Committee is recommending in its report, is "an approach that is not limited in its scope, that is not parochial in its frame of reference, and which will venture beyond the reach of conventional reactions to increasingly difficult problems that demand a degree of sophistication and innovation not yet found in legal and social scholarship and literature."

In short, Mr. President, it is our contention that the crime problem demands the same kind of research techniques and priorities which we have assigned to our defense effort, the space programs, and the battle against disease and illness.

Consider the spectacular successes in these fields and how they contrast with our growing failure even to cope with the crime problem, let alone overcome it. Each half year, the reports of the Federal Bureau of Investigation graphically describe how society is losing the fight against crime. Last year there was a 13-percent increase in serious crimes in the Nation. During the first half of this year, another 5-percent increase was recorded. Unless we reverse, or at least modify, this trend, our society is threatened with breakdown.

The proposal that the Department of Justice undertake such a wide-ranging study of crime in all its forms, was discussed with Attorney General Katzenbach. He has written to me:

> The program you outlined is an awesome one, but I agree that present conditions and our present capabilities make it necessary and possible.

It has been my belief, Mr. President, that the crime problem lends itself to solution by modern research techniques including operations research, systems analysis, and electronic computers. This belief has been fortified in the past few weeks by conversations with skilled professionals in the scientific and law enforcement communities.

Surely a government which spends on the order of $15 billion a year on research projects ranging from putting a man on the moon to a search for a cure for the common cold, can place some part of its efforts in the battle against the growing menace of lawlessness.

What can we expect for our investment in such a research effort? We can hope that there will be two separate but closely related benefits: A deterrence of criminal activity and a strengthening of existing law enforcement processes. These research benefits, when diligently applied, will have a significant impact on the growing crime rate.

CRIME IS A NATIONAL PROBLEM

Crime does not adhere to, or respect, political or jurisdictional boundaries. Yet, our system of law enforcement and criminal justice is composed of many different organizations with an accompanying diffusion of responsibility. Because of the very real boundaries, the research activity in the study of the causes of crime, crime prevention, crime containment, criminal apprehension and correction, has all traditionally operated within severe limits. As a result we have not approached a national problem with national resources.

Further, a great deal of research activity is addressed to in-depth analyses of problems and conditions which form only a part of the overall problem. This kind of research has produced beneficial results for society, but only for a portion of our administration of criminal justice system. Research in juvenile delinquency, court processes, law enforcement communications methods, crime prevention, poverty and welfare programs, correctional rehabilitation, vocational training, and so forth, need to be viewed as parts of the overall structure in a national war against crime, not as ends in themselves.

The unfortunate result of piecemeal research and development methods, whether oriented toward geographic or political boundaries or conducted within the framework of a particular discipline such as corrections, law enforcement, social welfare, and so forth, is that such programs usually produce short-term gains or narrowly confined benefits.

The question arises as to whether or not products of this kind of research are even communicated outside the jurisdiction or professional framework in which they originated. Similarly, there appears to be little transfer of information into these disciplines from other areas. Many of the recent advances in technology outside of criminal justice must surely have application to problem solving and operations in countering crime and its causes.

SIMILAR LARGE-SCALE PROBLEMS

When faced with other national tasks of enormous scope such as protection against enemy attack, gathering of strategic intelligence, broad-scale medical research, or the exploration of space, we initiate national programs employing the concept of interdisciplinary research and development. Within this framework, brain power in many fields of endeavor is focused on large-scale, complex problems.

In military command and control, various research and development projects are in process which will make strategic information available for use in com-

mand posts both centrally and remotely located. Such systems consist of intelligence, logistics, and communications data in addition to the forces and resources available.

These hundreds of thousands of items are referenced and cross-referenced to enable automatic integration of related items from this huge quantity of data. Methods of storing and retrieving information from these sources in time relevant to their usefulness to commanders are being developed by teams of researchers from all scientific disciplines.

Equipment for analyzing, communicating, and displaying this data is readily available. Armed Forces Management for July 1965 states that the equipment is not the problem but rather it is the analysis of the needs of the users in their decisionmaking.

Thus, the research and development in support of law enforcement efforts will find much upon which to draw from the basic work already completed by military and other operations analysis.

If we can use modern methods in finding the best way to provide a defense from foreign threats, surely they can help us in providing a defense from a clear and present domestic danger.

We need to launch a national long-term program of research in law enforcement and criminal justice, utilizing the concept of the interdisciplinary approach. The fragmentary efforts thus far employed must be consolidated and the scientific resources found outside the justice area must be applied. Such a program must also recognize the absolute necessity to preserve our constitutional form of government.

PLAN FOR A NATIONWIDE STUDY

The ultimate objective of any long-range effort in law enforcement and criminal justice is to bolster the operations of our society within a rule of law. In practical terms, this means we must control the level and intensity of crime to some acceptable limit. The definition of what is acceptable can come only after we examine the magnitude of the problem and what resources are available to us to solve it.

In the past, there have been three general recommendations made to solve the crime problem. The first and most obvious one is to improve the administration of justice system itself. A second, which is now being explicitly attacked at the Federal level, is to improve the social and economic health of our citizens. A third is to in some way influence "for the better" the values held by those elements of our society most disruptive to peace and stability. All three of these approaches operate on certain implicit assumptions related to the causes of crime. For example, in the administration of justice, we talk of rehabilitation of offenders, and deterrence of crime by more effective law enforcement and prosecution. In the improvement of social and economic conditions, we seek better housing and more jobs to reduce the amount of crime in depressed areas. And with respect to value structures, we express beliefs that those individuals committing crimes are immoral and have not been socialized to the extent that more responsible citizens have.

These assumptions may or may not be valid. But even if they are, they represent only simplified summaries of the overall problem and do not greatly assist in choosing specific actions to improve the administration of justice, for example. There are many different possible solutions that in our present state of knowledge cannot be properly evaluated. The same is true for the other two areas I mentioned.

It seems clear, then that the first order of business is to understand more properly what is the crime problem. While there are many statistical summaries available, these do not get at the root causes of crime, nor do they really adequately describe the details upon which one would build a more comprehensive understanding. For example, we should know in more detail what crimes we are talking about, what they are costing the public both in terms of property and lives lost, as well as public agency funds. Who are the people who commit crimes? What are their characteristics? Who are the people affected by crimes? Why do people commit crimes? What are the attitudes of these people? What are their values? What are their social, economic, and psychological conditions? The data available to us today cannot begin to describe the interaction of all of these causes which seemingly contribute to the crime problem.

Following this intensive description of the crime problem, we would be in a position to evaluate various steps that can be taken in improving justice administration, social-economic conditions, and values. It should be emphasized here that a nationwide program should not terminate in a new theory. The steps proposed as solutions to the crime problem should be tested on some pilot basis before they are implemented on the nationwide scene. But we should be careful not to expect such results until we have a hard, unbiased look at the root causes of crime.

BUILDING A MODEL

The next step might well be to build what the research technicians describe as a model. Modeling is a technique by which a series of interrelated activities is simulated in a manner which approximates their functioning in the real world. Stated another way, it is an attempt to get the real world down on paper—or into an electronic computer—so that it can be worked with.

Thus far, unhappily, crime research has for the most part been comprised of many unrelated fragments. There has been no attempt to identify, much less analyze, the "crime system."

By building models, the scientists can incorporate both existing information and information derived from ongoing research and thus determine significant relationships among activities related to crime which are currently unknown, or not well understood.

A nationwide study, therefore, would address this problem on a systematic and interdisciplinary basis. This is not a short-term, ad hoc committee-type study. This problem is deep; the gathering of data is a long-term effort, and its evaluation and analysis will require our Nation's greatest brain power and its best technology.

As noted earlier, these problems have usually been dealt with independently by criminologists, psychologists, sociologists, lawyers, social workers, probation and parole officers, police officers, data processing specialists, and so forth.

We need a team approach to this effort, drawing members from many disciplines to work together instead of apart.

BROAD RESEARCH PLAN

A systematic program would envision a broad research plan including the following:

First. The development of a long-term research effort, with appropriate phasing of activities over time.

Second. The division of the overall research effort into a number of manageable and meaningful research projects, consistent with the overall plan.

Third. The establishment of research priorities to guide funding and manpower allocation. This will permit the focusing of research effort where it is most needed.

Fourth. The systematic exploration of alternative techniques for the resolution of existing problems.

Fifth. The regular review of ongoing research so that progress can be determined and necessary reallocation of resources can take place.

We should not necessarily expect immediate results from such an activity. In fact, we should view this as taking place concurrently with some of the short term approaches to specific problems. Some of those short term approaches, however, may indeed be forthcoming during this long-range effort. It is generally the experience in such endeavors that areas for fruitful immediate efforts are uncovered as the analysis proceeds. But the real value lies in the long-term benefits.

SUMMARY

In summary, Mr. President, crime must be recognized as an extremely important national problem which either directly or indirectly touches the lives of 195 million American citizens.

We cannot afford the luxury of merely talking about crime. What is required is vigorous and imaginative action. It is noted that the President's Commission on Law Enforcement and Administration of Justice is meeting for the first time today. This is a panel of eminently qualified experts. Their work will be a significant contribution to our efforts to combat crime.

But, Mr. President, no group of experts, no matter how skilled or how well intentioned, who gather occasionally in Washington to discuss the problem, can be a substitute for a substantial research effort where fact supplants supposition and certainty overcomes intuition.

The Attorney General, in his letter to me, noted that the bill we are considering today, the Law Enforcement Assistance Act of 1965, "will provide additional support for what we hope will become a

major commitment by this administration to solving the difficult problems we face in this field."

Mr. President, this bill enables this Nation to make a start—only a start—toward bringing to bear upon the crime problem the same kind of scientific and technological know-how that has proved so dramatically effective in our space, defense, and medical research.

Mr. MOSS. Mr. President, the bill on which we are about to vote is similar to S. 1792, which I introduced in the Senate several weeks ago. The bill authorizes $10 million to be used by the Attorney General to foster programs for professional training for peace officers, court officials, and those charged with the responsibility of operating and maintaining correctional institutions.

The Nation's crime picture is not pleasant. As President Johnson said recently in a message to Congress: "Crime has become a malignant enemy in America's midst."

The president of the American Bar Association, Mr. Lewis Powell, has stated that "Crime is our country's No. 1 domestic problem."

I share these views.

Every category of crime statistics increased last year. Crime increased in every region of our country, with the Nation's suburbs experiencing the sharpest rise.

To bring these statistics back down, we must embark on several fronts of action. First, we do not have enough police officers. The average strength of 1.7 officers per 1,000 population has remained unchanged the past 7 years despite a 58-percent rise in crime during that same period.

Next, we must provide greater professionalism of each and every enforcement officer who is issued a badge and gun and put on the frontline.

But, additional police personnel and facilities alone will not automatically increase efficiency and decrease crime. Even if successful recruiting efforts swell the ranks of uniformed officers, organizational policies and procedures must be blended into more effective police departments.

There is a great amount of information now available, but the rank-and-file police officer cannot get this added knowledge because there are not enough facilities at work to transmit the information into the field. The hundreds of police departments in the Natoin can barely keep up with the number of calls for assistance they now receive, let alone finding new ways and means continually to train their patrolmen in the latest methods of crime detection and prevention.

Even the simple notification of one police jurisdiction by another of the movement of known criminals would have a beneficial effect. Regrettably, this is not always possible. Along with training for police officers, we must have courts which are updated and equipped with the latest knowledge and techniques. The bill now before us will provide court-related programs to increase the efficiency and improve court-police-community relationships.

Finally, if we do have better police officers and better courts, what do we do with the felons who are confined in institutions to serve their time?

Without the third phase of the programs contemplated by this bill, that of better training and qualification of corrective personnel, the police and courts will be restrained in their efforts to effectively halt the shocking increase in crime.

Mr. President, as a former judge and a former prosecutor, I have experienced working with the problems of crime and disobedience of the law and I have learned from that experience that if one element of law enforcement breaks down, the others are seriously retarded in their efforts to fulfill their lawful responsibilities.

The Law Enforcement Assistance Act of 1965 provides an imaginative step toward helping our local law enforcement officers in their overwhelming battle against professional criminals. We must not forget that crime prevention must also be directed toward the youngest level of our population. This bill will provide the necessary direction toward realizing this goal.

There are many regions in the Nation which will benefit from this bill. In Utah, the Utah Peace Officers Association has been working on plans for a State police academy. The academy would be operated for all officers, from recruit to commander, and would provide training in all phases of crime detection, prevention, and police administration. Too often, the officer is issued the necessary equipment and told to patrol a beat, with little or no effort made to give him adequate training for his own protection and for the protection of the public.

Mr. President, I ask that this bill be given swift approval and be sent to the President for his signature so that not a moment's time will be lost in regaining the ground lost to the criminal and hoodlum.

Mr. TYDINGS. Mr. President, I take this opportunity to commend the distinguished Senator from North Carolina [Mr. ERVIN] for his expeditious and thorough handling of the pending legislation before the Senate at this time. He was the chairman of the special subcommittee that considered this bill. It was a privilege to serve with him.

I also wish to take this opportunity to commend the distinguished Senator from Nebraska [Mr. HRUSKA]. Some weeks ago I was privileged to take part in a television panel with the Senator from Nebraska [Mr. HRUSKA], in which he discussed at some length, and with great perception, the causes and prevention of crime. He comes from a State which is singularly free from crime. His devotion to a solution of a national problem is therefore especially commendable.

This is an area, also, in which the distinguished junior Senator from Michigan [Mr. HART] has labored in the vineyard for many years.

There are many avenues to solving the crime problem, but the immediate deterrence of violence and crime on the street can be accomplished only by the individual or enforcement officer. It is he who deters the act of violence, and only he.

The proposed legislation, which extends assistance to local and State law enforcement agencies, provides for study and development of new techniques, new practices, and new ideas, which I think can lend a great deal in the solution of the overall crime problem.

I ask unanimous consent that at this point in the RECORD there be printed a letter from the Attorney General to Senator ERVIN, chairman of our subcommittee in response to a question I raised with the Attorney General, during the hearings, and also an exchange of correspondence between the distinguished Senator from Nebraska [Mr. HRUSKA] and the Attorney General.

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

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., August 17, 1965.

Re Law Enforcement Assistance Act (H.R. 6508).

Hon. SAM J. ERVIN, Jr.,
U.S. Senate, Washington, D.C.

DEAR SENATOR ERVIN: This letter is written in response to the inquiry of Senator TYDINGS concerning the plans of the Department of Justice with respect to the following facets of the administration of the proposed Law Enforcement Assistance Act of 1965:

1. The rank of the official in the Department who will be in charge of the administration of the act.

2. Whether a Science Advisory Committee will be named for the purpose of advising the Attorney General and the Administrator of the act on advances in the physical and communication sciences which could produce new police techniques of crime detection and prevention, and for improving liaison between physical scientists and law enforcement agencies.

While I have not yet designated anyone to be in charge of the administration of the act, I plan to name that person shortly. He will function directly under me, will report to me, and will have all the authority which he needs to obtain assistance from all divisions of the Department. Working with him will be a committee which I shall name from within the Department drawn from the Criminal Division, the Federal Bureau of Investigation, the Bureau of Prisons, and any other divisions which can by reason of their particular knowledge and operations contribute to furthering the purposes of the act. As you know, we attach great importance to this law, and I assure you we regard proper administration and implementation of it as a matter of urgent priority.

With respect to the naming of a Science Advisory Committee, I plan to have one or more such committees named. I believe that much can be accomplished by proper utilization of all available data on scientific and technological advances in criminology and law enforcement. I think, too, that we must encourage further such developments so that the most current information and modern techniques can be made available on a continuing basis to law enforcement officials throughout the country.

I appreciate the opportunity to provide this response to Senator TYDINGS' inquiry and will be glad to furnish any further information which you may desire.

Sincerely yours,

NICHOLAS DEB. KATZENBACH,
Attorney General.

U.S. SENATE,
August 19, 1965.

HON. NICHOLAS DEB. KATZENBACH,
Attorney General,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: Like you, I have become increasingly concerned in recent weeks about the alarming rise in America's crime rate.

It seems to me that until now we have not brought to bear on the problem the scientific research techniques which are available to us. This Government spends on the order of $15 billion a year on research projects ranging from finding a cure for the common cold to putting a man on the moon. Surely, some part of this effort can be placed into the battle against crime.

It is my conviction that the crime problem lends itself to solution by modern research techniques including computer analyses and operations research methods. The trouble, perhaps, is that until now we have fragmented our approach.

Accordingly, I would welcome your reaction to a suggestion that the Department of Justice, in cooperation with the National Science Foundation, undertake a broad-scale research activity to uncover the root causes of crime, improve law enforcement at the local, State, and National levels, and to improve the administration of justice at these levels.

For some time, it has been my feeling that the task of law enforcement agencies is really not much different from that of our military forces; namely, to deter crime before it occurs, just as our military objective is deterrence of aggression.

It is suggested that the whole gamut of crime-related problems be studied, from the possible breakdown of moral values, to juvenile delinquency, to the effect on law enforcement of court decisions that seem to handcuff police and prosecutors.

Such a study, it seems to me, is too important to be left to the welfare workers any more than it should be left to the psychologists, the police, the criminologists, or any other group of specialists. Each of these disciplines, and many others, have something to offer.

But what is necessary, it seems, is an approach that is not limited in its scope, that is not parochial in its frame of reference, and is willing to look beyond the reach of conventional reactions to increasingly difficult problems that demand a degree of sophistication not found in the legal and social scholarship of 100 or even 10 years ago.

With kind personal regards.

Sincerely,

ROMAN L. HRUSKA,
U.S. Senator from Nebraska.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., August 25, 1965.

HON. ROMAN L. HRUSKA,
U.S. Senate, Washington, D.C.

DEAR SENATOR HRUSKA: Thank you for your letter of August 19 concerning the desirability of a broad-scale inquiry into the causes and means of the prevention of crime. The program you outlined is an awesome one, but I agree that present conditions and our present capabilities make it necessary and possible.

The President recently appointed a Commission on Law Enforcement and Administration of Justice, which will report in 17 months. As Chairman of that Commission, I would hope that we could achieve some of what you ask. In addition, the House has passed and the Senate is now considering the Law Enforcement Assistance Act, which will provide funds for research, demonstration projects, and training in law enforcement, corrections, and the administration of criminal justice. This will provide additional support for what we hope will become a major commitment by this administration to solving the difficult problems we face in this field.

I look forward to seeing you Wednesday.

Sincerely,

NICHOLAS DEB. KATZENBACH,
Attorney General.

Mr. TYDINGS. Mr. President, I made that request because the correspondence points up a general agreement among all concerned that scientific research can be immediately helpful to law enforcement officers all over the country. For example, scientific research should be able to help us solve the problem involved when a police officer, in making an arrest, faces resistence or assault. That police officer should have available to him some other means of making an arrest than a revolver. I do not think a great deal of technical expertise would be required to develop some means to anesthesize a person in order to make an arrest. It is done to animals to quiet them. When there are problems of an explosive civil rights situation, for example, it would be far better and far more effective if a police officer did not have to resort to a deadly weapon in order to make an arrest.

Similarly, there is the possibility of utilizing scientific methods of organizing and assimilating facts which would help the police to spot trouble in a particular area before it occurred. This type of scientific aid has been used in Chicago by the commissioner of police, Mr. Wilson. He is able to determine, through the use of computers and other techniques, minute to minute changes on the pattern of events or crime in a certain area or ward in a great city like Chicago. He can then dispatch his men to meet the problem. It is interesting to note that that modern technique, practices, and scientific advances seem to have a beneficial effect. Chicago is one of the few great cities which not only has had no increase in the crime rate in the last several years, but, surprisingly enough, has had a reduction in the crime rate.

For many years, all thoughtful Americans have been disturbed by the mounting crime statistics and the evidence of an increased tempo of serious crime. We read daily of heinous crimes that chill our spines and make us realize that none of us, or our loved ones, are safe. We know that our youth, particularly in our large cities, are increasingly prone to criminal activity, even brutal and sometimes fatal crimes. The steady, upward trend in individual acts of violence has been with us for many years—at least since World War II. This trend is serious, indeed alarming, in its implications for a safe and ordered society, and many consider it one of the gravest of our domestic problems.

In recent years another type of antisocial behavior has also become a problem of national concern. I refer to the deadly virus of civil disturbances. The virus has spread with unparalleled virulence from Rochester to Watts, from Harlem to South Side Chicago. Its causes are fear, anger, bitterness, and frustration. Its symptoms are violence, with the usual complications of looting, mayhem, and death.

These two violent and tragic phenomena; increased individual crime and widespread civil disorder both call for increased and improved law enforcement. There is no more urgent domestic problem today than the control of crime and the elimination of rioting of the types that have occurred in Rochester, Watts, and other areas.

The protection of life and property is a primary purpose of any political community. Without it, no political community can last. Of what use is it to go to the moon, if we cannot walk our city streets in safety? Of what use is it to improve our highways, hospitals, and recreation facilities if our homes are not secure? The control of crime and violence must be a number one national priority.

The bill before us is an important step which recognizes the role of the Federal Government in the control of crime and violence. The Law Enforcement Assistance Act of 1965, which I had the honor to cosponsor will authorize the Attorney General to, first, make grants to local agencies and nonprofit organizations to establish or improve programs and facilities for training law enforcement personnel; second, make grants to similar agencies for demonstration projects designed to develop new methods for improving law enforcement, and three, make studies of law enforcement organization, techniques, and practices.

The quality of law and order in a society is no better than the knowledge and judgment of those who administer the law. This applies to every law enforcement official, from the police officer on the beat to Chief Justice of the United States; from the prison guard to the Attorney General. Indeed, I believe today that the neighborhood policeman and the desk sergeant can do more to improve or destroy respect for law and order than can the Supreme Court. Very few citizens come into contact with any courts, let alone with the Supreme Court, but very few citizens fail to come into contact with the police at one time or another. To most citizens, and especially to most law breakers, the policeman is law enforcement personified. The day-to-day behavior of the police is of unequalled importance in formulating a fair and effective pattern of law enforcement.

Unfortunately, our police forces have, in too many instances, simply not been adequate to meet the demands which the increased crime and civil violence over this country have placed upon them. I do not say this disparagingly of the police. There is on the whole, no finer, more dedicated group of public servants in the little towns and great cities of our Nation. They work impossible hours, under extremely hazardous conditions for wholly inadequate compensation and without even the public support and recognition that they deserve and need.

It is our fault, as citizens, that we have not provided our police departments with the public and financial support they need to recruit, train, and retain the

highest caliber personnel. By and large, we have been better served by our police than we have any right to expect. But the fact remains that many of our police departments need to be reformed to meet the challenges of law enforcement in today's cities.

It is not surprising that changes are required, for the role of the policeman has been radically altered in the last quarter century, in at least four major ways.

First, there has been a tremendous increase in the urbanization of the country. In 1930, urban areas had over 112 million inhabitants who made up almost 63 percent of the total population of the country. This urbanization has changed the policeman's role from one of simple peacekeeper to one in which he must perform, in the words of Judge George Edwards, of the Sixth U.S. Circuit Court of Appeals, "with the concern of a social worker, the wisdom of a Solomon, and the prompt courage of a combat soldier."

Second, recent Supreme Court rulings have emphasized constitutionally protected rights by curbing the latitude of permissible police activity. These rulings have not, as has often been claimed, been the reason for the increase in crime which has built up in recent years; but they have required police officers to limit their investigative activities and to deal more carefully with the rights of the accused.

The third cause for the problem with the police function is the mass migration of Negroes to our large cities. In the decade, 1950–60, the 12 largest cities in the United States lost over 2 million white residents and gained almost that many Negroes. Charles Silberman, author of "Crisis in Black and White," puts the problem this way:

> It is the explosive growth of their Negro populations, in fact, that constitutes the large cities' principal problem and concern. When city officials talk about spreading slums, they are talking in the main about physical deterioration of the areas inhabited by Negroes. And when they talk about juvenile delinquency or the burden of welfare payments, or any of a long list of city problems, officials are talking principally about the problems of Negro adjustments to city life. For the large city is not absorbing and "urbanizing" its new Negro residents rapidly enough, its slums are no longer acting as the incubator of a new middle class.

This is not to say, however, that crime is a racial problem. It is not. It is, as Judge Edwards has said, "a problem of human degradation."

Fourth, the civil rights revolution of the 1960's has challenged the traditional attitudes of policemen toward the Negro citizen. And when the police in one section of the country, or one county, or one State, are used blatantly to defy the very law they are supposed to uphold, the problem of enforcing the law is magnified in every section of the country. Again in the words of Judge Edwards:

> There is a deep-seated belief among our Negro citizens that equal law enforcement in police practices does not exist anywhere in our land * * *. Hostility between the Negro communities of our big cities and their police departments is the major problem which law enforcement deals with in this decade.

These new problems call for new and innovating programs on the part of the police departments of our communities. Certain changes and reforms are obvious. In most cities we need to institute higher pay scales; raise the initial recruitment requirements—especially in the areas of education and emotional stability, and provide for more on-the-job training and continuing education programs. Police work should be an honored calling, and not a dumping ground for those who cannot find better jobs. Many of our finest police have been offered jobs at higher pay, but have stayed with the force because they love their work. No policeman should be asked to make this sacrifice.

We must realize that the policeman has a strong influence, for good or ill, in the neighborhood. Prof. Robert L. Derbyshire, who testified before the subcommittee considering this bill, is a specialist in sociology, in psychiatry, at the University of Maryland. He has studied the impact which the policeman has on inner city values. His conclusion is that:

> In the lower class community the function of the police is integrated into the child's knowledge before he knows the role of teachers.

If the police, by their day-to-day conduct, fail to uphold and fairly enforce the law, how can slum children have respect for the law?

To deal with the problems of the city, we need policemen who are professionals, not only in apprehending criminals, but in talking gangs out of street fights, solving family quarrels, helping an unemployed father to find a job, soothing upset youngsters, calming the frayed nerves of rush-hour motorists. These kind of policemen—the men Judge Edwards referred to as needing "the concern of a social worker, the wisdom of a Solomon, and the prompt courage of a combat soldier," cannot be expected to join the force or perform these functions without improved status, better training, and appropriate incentives.

In addition to improved recruitment and increased pay, other programs and reforms are also worthy of serious consideration. Most urban police departments require full-time trained specialists in community relations. They should be actively seeking ways to establish communication between the various neighborhood communities and the police. They each need to understand the others goals and problems. Also worthy of consideration are independent review boards to screen complaints of police misconduct. Finally, we should explore possibilities of having the police perform other roles in the community rather than pure law enforcement. Police athletic leagues and other community activities can bring a new and better image of social order in our city slums.

Another area in which improved law enforcement techniques are required is in the use and adaptation of scientific information and mechanical devices to prevent and detect crime.

JAMES H. SCHEUER, the able Congressman from New York City, testified before our subcommittee on this bill. He pointed out that law enforcement has had, for too long, only the most casual knowledge of scientific developments that could be employed in the war on crime. Buttonhole microphones, guns which anesthetize but do not kill are two examples of what is available now, today, to fight crime. Fortunately, something will be done about this aspect of the problem. I raised Congressman SCHEUER's suggestions with the Attorney General and received assurances that in his administration of this bill he will give full recognition to this aspect of the crime problem. I trust that he will utilize a portion of the funds to finance scientific research, and, even more important, demonstration projects to put existing scientific knowledge into practice.

In conclusion, Mr. President, let me emphasize that we will receive no better law enforcement than we are willing to pay for. We will need money to update and upgrade our local police forces and to study ways to make them more effective. This bill, with its two programs of Federal grants for improved police forces and Federal studies of other means of improving them, takes a step toward the goal of effective, enlightened, law enforcement.

In the long run support for our police departments must come at the grassroots level. I hope the pending bill will be one giant step toward that goal. I am pleased to support it.

Mr. JAVITS. Mr. President, first I should like to express my support for the bill, which I favor very strongly. It is critically important to the improvement of local law enforcement capabilities and to the prevention and control of crime. I think it is also critically important in the field of racial relations. I believe that all of us realize that we must have intelligent and effective police handling of demonstrations, and of other responsibilities.

With all that in mind I introduced, together with Senators KUCHEL, CASE, FONG and SCOTT, a similar bill, S. 1409, which was referred to the Committee on Labor and Public Welfare. In my bill primary responsibility for the administration of the act was placed in the Department of Health, Education, and Welfare.

A very serious question of division of authority is involved here, because, while in the Federal establishment the Attorney General is charged with dealing with crime problems generally, this is in part, at least, also an education bill, as it relates to training the police to handle the complex challenges of juvenile delinquency and mental illness, and other similar aspects of maintaining public order. The proposed program therefore raises the question as to the extent of cooperation which the Attorney General would be required to have with the Department of Health, Education, and Welfare and vice versa.

The Attorney General has said very frankly that he is not in the business of dealing with these types of problems, but he felt, in all fairness, that the program really should be his responsibility in terms of principal administration, because it deals with police forces and with law enforcement. He indicated in his testimony before the special subcommittee, of which I was a member, that there

were areas of close cooperation, which he felt would be essential, with the Department of Health, Education, and Welfare.

That Department has had considerable experience with existing training programs in a number of related fields and with the juvenile delinquency program. A letter from the Under Secretary of Health, Education, and Welfare, Wilbur J. Cohen, which is included in the committee report, bears this out.

I should like to address myself, if I may, to the manager of the bill, and to the distinguished ranking minority member of the subcommittee which handled this bill, in order to ascertain, as a basis for legislative history on the bill, whether we may expect, in passing it, that there will be close cooperation and coordination in their related fields of interest between the Attorney General, in whom we are vesting principal authority under the bill, and the Secretary of Health, Education, and Welfare.

Mr. HART. Mr. President, as the Senator from New York has described it so well, as this concept developed, we were very much concerned with it. Earlier legislation, introduced not alone by the Senator from New York but also by the junior Senator from Michigan, would have caused this authorization to be directed to the Department of Health, Education, and Welfare.

I am satisfied—and I feel sure every member of the subcommittee of Senator ERVIN is satisfied—that the Attorney General intends, and understands fully, that it is the intention of Congress that he shall cooperate fully with the Department of Health, Education, and Welfare, particularly with respect to those areas the Senator from New York has highlighted; namely, those areas that deal with juvenile delinquency, youth offenses and, indeed, mental health research, and the implications involved there.

As the Senator from New York has stated, and as he pinpointed the matter in committee, the Department of Health, Education, and Welfare, through Under Secretary Wilbur Cohen, has advised the committee that it is now engaged in developing this kind of give and take.

Mr. JAVITS. I thank the Senator.

Mr. HRUSKA. Mr. President, I join the Senator from Michigan in the thoughts he has expressed. There is at present a very fine spirit of cooperation between the Department of Health, Education, and Welfare and the Department of Justice on those aspects of the activities which we are discussing, and which relate particularly to the Department of Health, Education, and Welfare.

It was thought, not only by Wilbur Cohen, the Under Secretary of the Department of Health, Education, and Welfare, but also by the Attorney General, that the concept is much wider than those areas like juvenile delinquency, and that therefore the primary responsibility should be in the Attorney General.

After all, there is the court system as a whole, there is the probation officer, there is the policeman himself, there is the matter of identification, and the matter of rehabilitation and parole and job placement after the term of incarceration is completed.

It is felt, because of the massive preponderance of activities other than those in the field of juvenile delinquency and education, the primary responsibility should be with the Department of Justice.

I am satisfied from the activities so far that the Senator from New York need have no misgivings as to the continuing cooperation between these two Departments.

Mr. JAVITS. I am grateful to the Senator. May I ask the Senator from Michigan, who is in charge of the bill on the floor of the Senate, whether he adopts my point on the education question, which is very much within the jurisdiction of the Department of Health, Education, and Welfare?

Mr. HART. Yes. I regret that I did not mention it.

Mr. JAVITS. Mr. President, I ask unanimous consent to have included in the RECORD as a part of my remarks a part of the testimony of the Attorney General on this subject from pages 21–22 of the transcript of the record of hearings of the subcommittee and the letter from the Under Secretary of Health, Education, and Welfare, contained at page 9 of the committee report on the bill.

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

Attorney General KATZENBACH. There are a number of very good programs currently being run in HEW, some training programs for police officials, and, of course, a number of programs dealing with juvenile delinquency. We are familiar with those. We have been in close cooperation and collaboration with those. In the administration of this program it would be necessary to examine a project in the light of other projects that were being considered in HEW, in the light of various programs within the poverty program broadly considered; that is, HEW, Labor and the Office of Economic Opportunity, and to make sure that we were not overlapping or working at cross-purposes and that these programs went together.

I think that I simply would reiterate my feeling that some subjects are most appropriate for the Department of Justice—law enforcement, prisons and courts.

Senator JAVITS. Thank you, Mr. Attorney General.

THE UNDER SECRETARY OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., July 23, 1965.

HON. SAM J. ERVIN, Jr.,
Chairman, Special Subcommittee of the Senate Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We understand that in the course of the hearings being conducted by the special subcommittee on the administration's proposed Law Enforcement Assistance Act of 1965, S. 1792, and other bills to provide assistance to State and local law enforcement agencies, a request has been made for an expression of the Department's views. Particularly, we understand that you desire an expression of our view with regard to the fact that S. 1792 places administrative responsibility for the law enforcement assistance program in the Attorney General, while S. 1409 would give that responsibility to the Secretary of Health, Education, and Welfare.

It is our view that S. 1792 appropriately provides for the administration of the law enforcement assistance program by the Attorney General. As the President stated on March 8 of this year in his message to the Congress on "Crime, Its Prevalence and Measures of Prevention":

"This act would bolster present training programs for local law enforcement personnel and would support the development of new training methods * * *.

"This legislation would also authorize Federal support for the development of improved methods of enforcing criminal laws and administering justice * * *. By pilot projects in the administration of justice we may find ways of making the judicial process fairer and speedier and the correctional process more effective."

The Department of Justice, through its constituent agencies, is vitally concerned with criminal investigation and law enforcement, with procedures for the administration of criminal justice, and with the correctional process.

In the areas of concern pointed to by the President's message, we think it wholly appropriate that the Attorney General bear the administrative responsibility for the Federal assistance program.

The Department of Health, Education, and Welfare, as you know, has a large and continuing interest in the areas of juvenile delinquency and youth offenses, and in areas of mental health research which are frequently related to delinquency and other kinds of deviant behavior. Representatives of this Department and the Department of Justice have already begun working together to assure that the Federal Government's efforts will be coordinated to the fullest extent.

We fully support the objectives, the scope, and the structure of the Law Enforcement Assistance Act as embodied in S. 1792, and we strongly urge its enactment.

Sincerely yours,

WILBUR J. COHEN,
Under Secretary.

Mr. JAVITS. I am grateful to Senators HART and HRUSKA.

Mr. HART. Mr. President, the first objective is the improvement of the performance of duty by policemen across the country. The debate has reflected that to be the primary goal. However, there is an additional merit and opportunity provided by the bill, and many of us see it in this bill, in that it provides for a mechanism whereby the policeman can enlist the aid of other Federal agencies in seeking to achieve an improved community relationship and understanding for the role of the policeman, and a clear appreciation and understanding by the policeman of the many various groups in his community.

I hope that in the administration of the act the Attorney General will find means of drawing on the resources and talents of the Community Relations Service of the Department of Commerce, the Department of HEW, the Civil Rights Commission, and other appropriate Federal agencies.

Mr. ERVIN. Mr. President, I express my appreciation to the Senator from Nebraska and the Senator from Maryland for their generous remarks with reference to the work I have done as chairman of the ad hoc subcommittee which considered the bill.

As a member of the Judiciary Committee and a number of its subcommittees I have been closely associated with my good friend the distinguished Senator from Nebraska [Mr. HRUSKA]. I can

testify to the fact that the people of the United States owe him a great debt of gratitude for the fine work he has done in advocating and in assisting to bring to passage enlightened legislation, particularly in the field of the administration of criminal justice.

Mr. TOWER. Mr. President, I strongly support enactment of this Law Enforcement Assistance Act. It comes not a moment too soon.

For too long we have watched our Nation drift into a position where many of our citizens feel they need not obey laws they do not like. For too long we have heard the lawlessness blamed not upon lawbreakers but upon law enforcement officiers.

This bill will represent a major policy declaration by the Congress in support of those policemen whom we select to preserve the order all of us want.

This bill would allow the Justice Department to work with State and local officers in providing assistance in the training of local law enforcement personnel. It also provides for exchange of advice and methods among the Nation's law officers so that the effective measures of one jurisdiction will be shared with other jurisdictions.

The approach taken by this bill is fully consistent with the proven American principle that law enforcement responsibility lies correctly with State and local governments. There is specific and explicit language in this bill forbidding and preventing any direction, supervision or control by Federal officials over any facet whatsoever of local police work.

This Law Enforcement Act seeks to bolster present State and local police training programs with the support of new training programs such as those operated for many years for local officers by the Federal Bureau of Investigation. Many of our best local officers are graduates of one of the earlier FBI training schools. Now this training will be provided to more and more local personnel.

The mushrooming rate of crime in our major cities is graphic evidence of the need for prompt attention to the training of police officers. The recent tragic rioting in Los Angeles is another example of the problems confronting the men charged with maintaining order.

Every American has the basic responsibility to obey the laws. Nobody has a right to hurt another American or to damage his property. Rioting in the streets is not an American solution to any problem of whatever magnitude.

In the past 4 agonizing years we have come, unfortunately, to the point where some of our citizens—citizens of all races—accept as normal the use of riots, civil disorder, disobedience, and even individual violence as an acceptable solution to their social or personal problems and desires.

This situation demands that the Congress reaffirm the American faith in the wisdom of law, not of men.

Justice is not served, nor can justice be won in the streets. Redress for personal misfortune, be it real or imagined, cannot be found in an attack upon another American or the theft of his property. Decades of past progress are being damaged by the current wave of crime and disorder. Decades of future hope are dimmed by the smoke of riots.

This Congress must stand and do battle for the standards of common decency, honesty, courage, self-control, truth and justice upon which America is founded and has prospered. These virtues are not outmoded by modernism; they are not outdated by the times; they are not too complex for comprehension.

Quite to the contrary, the times cry out for a "crusade for morality and decency."

Americans need not rob and assault, for there are open to Americans ever improving opportunities to achieve personal worth through cooperation with their fellowmen and through study and work.

Americans need not riot for rights, for there is open to all Americans the massive weight of the law which prescribes and encourages orderly and effective progress toward a redress of grievances.

But always, we must have support for law. Always we must adequately train and fully back up the men we charge with enforcing the laws we all have a part in enacting.

With passage of this bill, the Congress proclaims its concern and its dedication to law and order. I hope the passage is overwhelming.

Mr. BAYH. Mr. President, I wish to add my name to those of my colleagues who strongly support the proposed Law Enforcement Assistance Act of 1965.

To say that this legislation is needed—and needed urgently—would be an understatement. I would venture to say, Mr. President, that at no time in our history has disrespect for law and those who administer and enforce it been so general and widespread.

This proposal will provide a means by which local law enforcement agencies can strengthen their training programs and help develop new and more effective techniques of fighting crime. It would strengthen the American tradition of local and State law enforcement by adding strength to local and State law enforcement agencies. It specifically prohibits Federal influence on any aspect of local law enforcement, thus maintaining the long-standing American repugnance for a national police force.

While I fully and unreservedly support this legislation, Mr. President, we must take care not to deceive ourselves into believing this to be a cure-all. It is not. It is simply a beginning—a small start on the long and difficult road toward reducing crime to the rockbottom minimum.

The causes of crime and violence are many and complex. Parental unconcern, unwholesome environment, a trend toward making it popular to break the rules—these are among the many factors which contribute to crime.

We must recognize that many things we do—and must yet do—will contribute directly and indirectly to a reduction in crime: aiding our schools and colleges, particularly in the area of vocational education; making efforts to reduce unemployment through various adult training programs; lending a helping hand to those in America who are not sharing in our general abundance.

In addition, Mr. President, we must recognize that people—particularly young people—who are taught to respect those in authority—parents, teachers, and public officials, for example—are not likely to break the law.

With the passage of the Law Enforcement Assistance Act of 1965, we must vow to do all in our power to use whatever ingenuity and whatever resource we can muster to produce not one, not two, but a series of proposals which will strike at the roots of crime—so that we may not only assist in the enforcement of laws against crime, but assist in preventing it as well.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

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

Mr. HART. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HRUSKA. I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The question is on agreeing to the motion to lay on the table the motion of the Senator from Michigan.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, we all recognize that the problems of rising crime rates are of uppermost importance in our Nation today. This afternoon the Senate has passed a bill, the Law Enforcement Assistance Act of 1965, which will aid our public officials in preventing and controlling crime.

The bill to provide assistance in training State and local enforcement officers and in improving capabilities, techniques, and practices in law enforcement was capably managed by the very able junior Senator from Michigan [Mr. HART]. As the Senator from Michigan himself stated, great credit goes to the distinguished senior Senator from North Carolina [Mr. ERVIN], without whose assistance the bill might not have been presented to the Senate today. Other Senators from this side of the aisle assisted immeasurably in developing the features of this bill through cogent comments. I refer to the junior Senator from Utah [Mr. Moss] and the junior Senator from Maryland [Mr. TYDINGS].

In typical bipartisan fashion, Senators from the other side of the aisle constructively aided in passage of this measure. The senior Senator from Nebraska [Mr. HRUSKA], the senior Senator from California [Mr. KUCHEL], and the senior Senator from New York [Mr. JAVITS] unselfishly and skillfully aided passage of the bill.

I congratulate each and every one of these Senators and the entire body for the fine step forward represented by passage of this measure.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

JUNIOR SCIENTISTS NOT JUVENILE DELINQUENTS

Mr. BYRD of West Virginia. Mr. President, the September 5 issue of the Sunday Charleston, W. Va., Gazette-Mail State magazine carried an article on the summer camp activities of budding West Virginia scientists representing 18 counties in my State. This article provides an effective assessment of the excellent work being conducted with youngsters through the West Virginia Appalachian Center at West Virginia University in Morgantown.

It is my belief that efforts such as this—designed to attract and develop the latent creative interests of early teenagers—offer a valuable means to insure that our Nation's youths swell the ranks of serious students rather than those of juvenile delinquents.

I ask unanimous consent to have this article, "Science Camps at Junior's Level," reprinted in the RECORD.

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

SCIENCE CAMPS AT JUNIOR'S LEVEL—18 COUNTIES SENT DELEGATES TO THEM THIS YEAR

(By Opal Ripley)

BECKLEY.—Budding scientists from 18 of the State's 55 counties, each with a keen curiosity and a fair share of technical ability, have attended youth science camps this summer.

Sponsored by West Virginia Appalachian Center, the camps were designed to stimulate, motivate, and inspire the 12- to 14-year-old youths to pursue their respective interests and create an awareness of the opportunities which exist through science.

Eight camp sites were selected this year for the program, after the trial runs in Barbour and Marion Counties in 1964. Fifty campers were selected for each camp. So far as is known, officials said, the county science camp is the first informal learning-camping situation of this nature throughout the country. The program was a takeoff of the National Youth Science Camp held at Camp Pocahontas since West Virginia's centennial year.

Area and county camps were conducted for the Jefferson-Berkeley-Morgan County area, Barbour-Taylor area, Nicholas-Parkersburg area (eight counties), Wetzel, Marion, Raleigh, and Greenbrier.

Instructors were picked on the basis of competency, enthusiasm for working with students and their ability to stimulate interest. They were given complete freedom to develop subject matter and set the pace at which it was taught.

Each of the camps were conducted in much the same fashion with the same instructors and equipment being moved from one camp to another. Likewise, the daily activities at the different camps followed a similar pattern.

All campers with a yen for hiking were permitted to join in an hour-and-a-half jaunt starting at 6 a.m. each day.

"Those who lacked the enthusiasm to participate in the woodland treks, should have exerted some effort, since early risers generally were a noisy lot," instructors said.

The hikes were used for tabulating the number and species of birds in the camp areas. Also to study their characteristics and habits. The study of trees, the function of their different parts and the species common to different sections of the State, consumed part of the hike action daily.

Campers learned about fresh water biology, its importance to plants and animals, the difference in the anatomy of water and land animals and bacteria uses in making cheese and buttermilk. They also watched an egg hatch, observed electrical current being conducted from one point to another, and numerous other scientific experiments.

The university provided partially trained rats, which many campers used in experiments on animal behavior. Less than 2 days were required in some instances, for the young scientists to teach the black and white spotted rodents that certain signs meant mealtime, or that they must play a game of hide-and-seek for their food.

Field trips were the source for securing frogs and other amphibious creatures used for biological experiments. Baby chicks accepted various objects, other than a mother hen, for their companions during the demonstrations, and an authentic human skeleton was utilized in the study of biology.

While interests of the campers varied greatly, and leaned toward many different subjects, each of the seventh, eighth and ninth graders appeared to have in common, a built-in curiosity and an eagerness to know more about a singing computer which was demonstrated via a phonograph record. But instructors said, despite the miracle of the metal mind, the junior scientists offered suggestions that in all probability would have stumped the tin wizard.

Other equipment provided for the program included a small planetarium, telescopes for studying the stars, microscopes, and other laboratory equipment.

Evaluation of the programs were conducted with the campers and instructors at the end of each camp. Data from the evaluation forms will be used to set up programs and schedules for future camps, according to officials.

Except for the instructors' salaries, paid by the Appalachian Center, the camps were self-supporting. Each student paid a camping fee of $20, if they were financially able. Others were provided with special scholarships, and no one was refused the opportunity to attend camp for financial reasons, Bill Clark, Raleigh County 4–H agent explained.

Oscar Hutchinson of Beckley, area director of Appalachian Center, said "we are thinking in terms of doubling the number of students and instructors for next year's science camps."

CANCELLATION OF BOBBY BAKER'S VENDING MACHINE CONTRACT WITH NORTH AMERICAN AVIATION

Mr. WILLIAMS of Delaware. Mr. President, today's issue of the New York Times contains an article which states that North American Aviation, Inc., has canceled its $2½ million vending contract with Bobby Baker's Serv-U Corp. This action by North American Aviation, breaking with Bobby Baker's vending company, is long overdue, and I compliment them upon their decision even though it is coming late.

It is time for Northrop and other big defense contractors to take another look at their policies with regard to dealing with Mr. Baker.

In order to enable Mr. Baker's vending company to operate in plants doing defense work it was necessary that the Secretary of Defense grant "security clearance" to Baker's companies.

Certainly questions can properly be raised when "confidential security clearance" is granted so freely to a former public official who had taken the fifth amendment rather than answer questions concerning his work while serving as a public official.

These vending contracts have been the backbone of Baker's financial manipulations, and this could mark the collapse of his financial empire, just as the breaking of Government grain storage contracts with Billie Sol Estes marked the end of his financial success.

We can hope that this marks a turning point in the Johnson administration's relations with Baker. We can hope that this is an indication that there will be forthright investigation and prosecution of Baker and his associates.

For the good of the Nation, it is best that it be demonstrated that in the long run the actions of Bobby Baker did not pay. As long as Bobby Baker continued to hold the vending contracts with big defense contractors there was an impression that he could arrogantly defy the laws and the standards of propriety and get by. We can hope that this decision by North American to break with Bobby Baker will demonstrate again that the Bobby Bakers and the Billie Sol Esteses cannot get by with their manipulations.

There can be no compromise with integrity in public office.

Mr. President, I ask unanimous consent that an article on this subject published in today's New York Times, be printed in the RECORD.

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

BAKER WILL LOSE $2.5 MILLION VENDING CONTRACT AT NORTH AMERICAN AVIATION

(By Richard Witkin)

Robert G. Baker's vending company has been notified that its food-dispensing contracts with North American Aviation, Inc., totaling about $2.5 million a year, will be canceled this fall.

The decision by North American, a colossus of the missile-plane-space business, is generally regarded as the most serious possible financial blow that could have befallen Mr. Baker.

The former secretary of the Senate Democratic majority, who during his Senate career was considered an intimate of Lyndon B. Johnson, is understood to own 84 percent or more of the vending company, called the Serv-U Corp.

A report of the Republican minority of the Senate Rules Committee, which conducted a long investigation of Mr. Baker business affairs, stated:

"The backbone of Baker's financial empire was, and still is, Serv-U Vending."

Mr. Baker resigned from his $19,600-a-year Senate post in October 1963, after the initial

disclosure of his extracurricular business activities.

North American has hundreds of millions of dollars worth of contracts with the Defense Department and the National Aeronautics and Space Administration.

It is the builder of the three-man capsules in which astronauts will travel to the moon; liquid rocket engines for the Atlas and the B–70 experimental bomber.

A spokesman for the company, whose headquarters are in Los Angeles, said in a telephone conversation that North American had decided to own and operate its own vending machines.

He said a notice of intent to cancel had been sent not only to Mr. Baker's firm but also to Automatic Canteen, which has vending contracts with North American totaling about $4 million a year.

Serv-U, starting from scratch at the end of 1961, built a business grossing more than $3.5 million annually in less than 2 years.

BIGGEST CUSTOMER

North American has remained by far the biggest customer. Much of the rest of Serv-U's business is done with the Northrop Corp., another large aerospace company. Still a third, Space Technology Laboratories, has a small vending contract with the Baker company.

The big question now is how well Mr. Baker will be able to withstand the financial blow from the North American cancellation.

Serv-U, in addition to its vending business, is the owner of the Carousel Motel, in Ocean City, Md. But Serv-U's purchase of the motel was reported at the Senate hearings to have been an effort to bail it out of financial difficulties. Whether business has improved in the interim is not known.

The Senate committee has issued two reports on the Baker investigation, with the Democratic majority and the Republican minority splitting acrimoniously in both cases.

On July 8, 1964, the first report said Mr. Baker was "guilty of many gross improprieties" but it did not find him guilty of breaking any laws.

The Republicans, in their dissent, accused the majority of refusing to explore leads that promised to shed important new light on Mr. Baker's activities.

The running debate was continued at high pitch during the Presidential contest between President Johnson and Senator Barry Goldwater.

The second report, issued June 30, used sharper language in regard to Mr. Baker. It also suggested that consideration be given to indicting him for violation of the conflict-of-interest laws in connection with an alleged payment of $5,000 to him by a lobbyist backing legislation dealing with the licensing of ocean freight forwarders.

The senior Republican on the committee, Senator CARL T. CURTIS of Nebraska, characterized the second report, as he had the first, as a "whitewash."

There has been no report of what, if any, response there has been from the Government to the suggestion that an indictment on the alleged $5,000 payment be considered.

Nor has there been any culmination of investigations of the Baker case begun early last fall by a Federal grand jury.

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

Mr. WILLIAMS of Delaware. I promised to yield to the Senator from Nebraska. I yield to the Senator from Nebraska.

Mr. CURTIS. I commend the distinguished Senator from Delaware for his efforts to bring an end to the gross corruption that has been going on in the administration department of Government.

I invite attention to a significant paragraph found in the minority views of the last report on the Baker investigation. These views are signed by Senator JOHN COOPER, of Kentucky, Senator HUGH SCOTT, of Pennsylvania, and myself. In the report we say:

The backbone of Baker's financial empire was, and still is, the Serv-U Vending Co. It was through the vending business that Baker was able to acquire monthly cash kickbacks as well as inaugurate a highly profitable vending operation with defense contractors whose almost sole source of income was from the U.S. Government. It was in these vending operations that Baker became associated with questionable individuals who ranged from gamblers to those convicted of income tax evasion. Likewise, when Baker's Carousel Motel was in the midst of financial difficulties, it was his vending business that had the wherewithal to bail out the Ocean City property. Until such time as defense contractors such as North American Aviation and Northrop decide they no longer want to do business with Baker, his complex financial empire may continue.

Mr. President, I ask unanimous consent that the minority views in the last Baker report, which are found on pages 25 to 52, inclusive, and signed by the three minority members of the committee, be printed at this point in the RECORD. In making that request, I wish to exclude from the request any photoprinting of copies of exhibits that cannot be printed in the RECORD.

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

MINORITY VIEWS

I. RÉSUMÉ OF THE FIRST HEARINGS

Robert G. Baker was secretary to the majority of the U.S. Senate. He was elected to occupy this full-time $19,000-per-year position by the Democratic Members of the Senate. In this job Baker possessed the most intimate knowledge of the probable success or failure of pending legislation to be considered by the Senate. Consequently, he became known in the words of a witness as a man "with innumerable friends and connections," and, as the investigation developed, generally those friends and connections had some special interest before the Senate or with the Government. Thus, when Baker's activities were brought under public scrutiny by Senator JOHN WILLIAMS, and his friends and connections were of questionable character, it cast a shadow on the legitimacy of Baker's amassing a claimed net worth in excess of $2 million while his Government salary, comparatively, remained so small.

The investigation disclosed that between January 1, 1959, and November 1, 1963, Baker participated in 65 loans wherein he borrowed at least $2,784,520, which figure does not include loans to corporations in which he was personally interested. Likewise, the investigation revealed that he participated in the purchase of real estate worth $1,634,000 and had available enormous amounts of cash and currency, some of which came from regular kickbacks.

The backbone of Baker's financial empire was, and still is, the Serv-U Vending Co. It was through the vending business that Baker was able to acquire monthly cash kickbacks as well as inaugurate a highly profitable vending operation with defense contractors whose almost sole source of income was from the U.S. Government. It was in these vending operations that Baker became associated with questionable individuals who ranged from gamblers to those convicted of income tax evasion. Likewise, when Baker's Carousel Motel was in the midst of financial difficulties, it was his vending business that had the wherewithal to bail out the Ocean City property. Until such time as defense contractors such as North American Aviation and Northrop decide they no longer want to do business with Baker, his complex financial empire may continue.

Baker had innumerable ventures not only with his fellow Senate employees, but also with individuals, corporations, and transportation companies having extensive dealings with the Federal Government. These ventures ranged from phenomenally profitable purchases of MGIC stock to more modest, in proportion, profits on the purchase and sale of Florida land. In almost every instance through information furnished by his "innumerable friends and connections" Baker had inside knowledge on which ventures would insure a profit. In some instances Baker ventured nothing. For example, in the Robert Thompson case he put up no capital nor shared a risk, yet was permitted by his benevolent Murchion representative to reap an extraordinary profit.

Baker was in the insurance business with Don Reynolds. The investigation of the relationship between these two men uncovered startling revelations. For instance, through Baker, Reynolds was allowed to write the performance bond on the District of Columbia Stadium which is discussed hereafter in more detail. Likewise through Baker, Reynolds was able to write the life insurance policies on the then Senator Lyndon B. Johnson. It was the writing of these insurance policies that led to the gift to the then Senator Johnson of the stereo set, and the revelation that Reynolds was pressured by Baker and Walter Jenkins into the purchase of advertising time over KTBC–TV in Austin, Tex. Moreover, it was in part the circumstances surrounding the insurance policies and the TV time which led to the necessity of acquiring testimony from then Presidential Aid Walter Jenkins.

The committee's record is full of instances where Baker took pains to disguise his interests and conceal his activities. Ernest Tucker, Baker's law partner, held in trust Baker's shares of stock in Serv-U. Likewise, it was the use of interim transfers through Tucker and others that resulted in Baker concealing the racial restrictive covenant on his fashionable Spring Valley home. Baker concealed his true net worth by filing a false financial statement with the District of Columbia National Bank which granted him an extremely generous $125,000 unsecured loan. It was these overt efforts to camouflage, and we have named but a very few, that prompted our insistence on a full, complete, and thorough investigation.

The majority report discussed in some detail the investigation of Sweet Water Development Co., Ocean Freight Forwarders, Blue Lake Manor Retirement Home, and the Redwood National Bank. This minority report is primarily confined to those areas where there was a marked disagreement between the majority and minority. We do wish to point out that none of the aforementioned matters would have been investigated had the majority had their way and closed up the committee's work in July of 1964.

II. EFFORTS TO CALL WITNESSES

The minority members of the committee have repeatedly pointed out the failure of the

majority to call all the witnesses in open session and obtain their testimony under oath. This is not only the proper way to conduct the public business but also it is necessary if the truth is to be ascertained. The fact that the testimony of any particular witness was sought by the minority carries no implication of wrongdoing by such person. The efforts to obtain their testimony were because they may have had important and valuable information. The committee's records reflect that on 14 separate rollcall votes during the first hearings the majority successfully prevented the calling of witnesses and the acquisition of additional evidence.

Margaret Tucker Broome had been Baker's secretary and an integral part of his office. The committee's investigators recommended that she be called to testify and we of the minority agreed with the suggestion of the staff. However, during the first hearings a 6–to–3 vote prevented the acquisition of this evidence.

Rein J. Vander Zee was an assistant to Baker, the secretary to the majority. He could have told about the operations in Baker's office and might have provided information about the large amounts of cash observed to be in that office by other witnesses. Our effort to summon Mr. Vander Zee was defeated by a 6–to–3 vote.

Jessop McDonnell who asked to be called to testify was another assistant to Baker and could also have furnished evidence about the activities in Baker's office. The motion of the minority to call Mr. McDonnell was defeated by a 6–to–3 vote.

Our motion on March 23, 1964, to summon Matthew McCloskey as a witness was voted down 6 to 3. Elsewhere in this report we comment upon why Mr. McCloskey should have been called as a witness during the first hearings.

Paul Aguirre was a business associate of Baker's. During the first hearings, he had given statements to the staff and had indicated some willingness to testify. Nevertheless. the minority's motion to call Aguirre before the committee was voted down 5 to 4. If he had been called, the committee could have inquired as to what part if any Ellen Rometsch and other like individuals had in the promotion of Baker's operations. In the second hearings, the majority relented, and Mr. Aguirre was subpenaed to testify. But at that late date, he took the fifth amendment in his appearance before the committee. If his appearance had not been denied in the first hearings, it is believed that he would have provided useful information.

Warren Neil was another business associate of Baker. Neil should have been placed under oath and questioned about Baker's business and financial operations not only in Puerto Rico, but elsewhere in the Caribbean. A 6-to-3 vote prevented Mr. Neil from testifying.

Nick Popich, of New Orleans, La., should have been called as a witness. Popich could have been asked to explain the numerous long-distance telephone calls emanating from Baker's Capitol Hill office to him in New Orleans. Also, Popich could have been asked to relate what other business ventures if any he and Baker were in beside the Pasantic Corp. By a 5-to-4 vote we were denied the testimony of Mr. Popich.

In the early part of the investigation sworn testimony was received which clearly required the testimony of Mr. Walter Jenkins, a White House aid who had been an employee of the Senate and was a stockholder, director, and officer of the company that owned the KTBC–TV television station at Austin, Tex. Due to the determined opposition of the majority, Mr. Jenkins was never called as a witness.

The testimony that was received was to the effect that Walter Jenkins had had a part in requiring Don Reynolds to pay $1,208 for television time on this TV station because Reynolds had sold $200,000 worth of life insurance on the life of the then Senator Lyndon Johnson. Mr. Albert G. Young, president of the Mid-Atlantic Stainless Steel Co., in his sworn testimony, supported the testimony on Don Reynolds. Mr. Young stated that an individual who said his name was Walter Jenkins called him on the phone and verified the purchase of the TV time. Mr. Young thereafter proceeded to Austin, Tex., and used the time.

The majority, through the chief counsel, early in the investigation presented to the committee a memorandum written by the chief counsel and the chief investigator, and sworn to by Jenkins which, among other things, said:

"Nor does he have any knowledge of any arrangements by which Reynolds purchased advertising time on the TV station."

The majority used their numerical superiority to prevent the calling of Walter Jenkins. In the second hearing written interrogatories were submitted to Walter Jenkins and his written answers received. As a result of the refusal to call Mr. Jenkins and the use of interrogatories, members of the committee could not be present when the questions were submitted or the answers made. No opportunity was given to ask further questions or cross-examine Walter Jenkins in any manner. No opportunity was given for submitting additional questions to elicit additional information which Jenkins' answers might have brought to light. The inability of the minority to elicit information is the result of the majority's voting down the motion of the minority to call him as a witness in the first hearings.

The written interrogatories and written replies did bring out information concerning the sale of the advertising time over the TV station, and we wish to quote from it as follows:

"No. 3. When and where and under what circumstances did you first become acquainted with Don B. Reynolds?

"Answer. In late 1956 or early 1957 I was seeking an insurance company from which insurance on the life of the then Senator Lyndon B. Johnson might be purchased. I made no secret of this search, and I'm confident that Robert G. Baker knew of it, either from me or indirectly. Mr. Baker told me that he knew Don Reynolds, who represented a company which was beginning to specialize in insurance for former heart attack patients. Mr. Baker did not tell me that he had any interest in Mr. Reynolds' businesses, and I do not know to this day whether Mr. Baker had any such interest. The events discussed in this and many other answers took place over 8 years ago, and I cannot be sure about every particular, but I shall do my best to be as accurate as possible. At any rate, I am sure I indicated to Mr. Baker my wish to talk to Mr. Reynolds about the possible purchase of insurance. I believe Mr. Reynolds called me for an appointment at Mr. Baker's suggestion and I readily agreed to see him. To my best knowledge and belief I had never seen Mr. Reynolds before he came to my office to keep that appointment, and had never heard of him before Mr. Baker mentioned him to me as a possible source of insurance.

"No. 4. To what extent were you authorized and by whom to negotiate for the purchase of life insurance policies insuring the life of the then Senator Lyndon B. Johnson beginning on or about January 1, 1957, and thereafter?

"Answer. I do not know that I was 'authorized' by anyone to negotiate for insurance on the life of the then Senator Lyndon B. Johnson. I was an officer of the LBJ Co. which was interested in the purchase of these policies, and I am sure several of the officials of the company were active in the search for insurance. If this question asks whether someone selected me to do the negotiation and 'authorized' me to do so, the answer is that no one did. It was more informal. The company officials in Austin were also in the market for the policies and had been unsuccessful up to that time in securing policies of the size desired.

"No. 5. Do you know one Robert G. Baker?

"(a) Just how long have you known him?

"(b) During the time you were an employee of the Senate how often would you see Robert G. Baker?

"(c) Did you ever have any discussion with Robert G. Baker concerning life insurance on the life of the then Senator Lyndon B. Johnson?

"(d) Who initiated the discussion?

"(e) How many times, if any, did you talk to Robert G. Baker about this subject?

"(f) Where would the discussions take place?

"(g) What part, if any, did Robert G. Baker have in the procuring of insurance for the then Senator Lyndon B. Johnson?

"Answer. I do know Robert G. Baker.

"(a) I cannot remember when and exactly under what circumstances I met Mr. Baker. I feel sure it must have been very shortly after Mr. Johnson became a U.S. Senator in 1949. Mr. Baker was then working in the Senate and serving the offices of all Democratic Senators.

"(b) During the first few years I was a Senate employee I saw Mr. Baker very infrequently. When Mr. Johnson became minority leader in 1952, my contacts with Mr. Baker increased and from then until Mr. Johnson became Vice President in 1961, I saw Mr. Baker generally once or twice a week—sometimes more, sometimes less. During the time Mr. Johnson was Vice President I saw him much less frequently.

"(c) Yes.

"(d) I do not recall.

"(e) I can't be precise, but I talked with Mr. Baker about this subject a number of times. It was through Mr. Baker that I met Mr. Reynolds, and when I had a questions about rates, physical examinations, policy details, etc., I usually asked Mr. Baker to get the information from Mr. Reynolds for me because it was easier for me to reach Mr. Baker than Mr. Reynolds.

"(f) Usually by telephone to either Mr. Baker's office or home.

"(g) As related above, Mr. Baker introduced Mr. Reynolds to me. He also talked to Mr. Reynolds for me on occasion and reported back to me. This is the only part I know of that he played in the procuring of insurance on the life of the then Senator Lyndon B. Johnson.

"No. 6. Did you ever discuss with Robert G. Baker alone or in the presence of Don B. Reynolds the subject of selling advertising time on television station KTBC to Don B. Reynolds, and if so, state fully when and where such discussions occurred and exactly what was said?

"Answer. During the time consideration was being given to the purchase of insurance through Mr. Reynolds, I received word from the LBJ Co. it would not be necessary to pursue the matter further because a local agent in Austin had become interested in selling the policies and that he not only had been an advertiser on the radio and television stations for many years, but also had always related the amount of his advertising to the amount of his business done with the station. I am confident I communicated this

information to Mr. Reynolds and I am reasonably sure, although not certain, that I did so through Mr. Baker and not directly to Mr. Reynolds.

"At any rate, I received word soon from either Mr. Reynolds or Mr. Baker—and I think it was Mr. Baker—that Mr. Reynolds wished very much to sell the policies and would also like to purchase advertising time in the event he sold them. The rates of the Manhattan Insurance Co., Mr. Reynolds' firm, were lower and they were subject to mandatory reduction at the end of the second year. And, further, at one point they were willing to write a larger amount than the Texas agent could arrange. For these reasons and the fact of convenience of dealing with a Washington agent with respect to physical exams, forms. etc., as well as Reynolds' offer to meet the competition by purchasing advertising, it was decided to accept the Reynolds' offer. The policies were thereafter purchased through Mr. Reynolds.

"I am certain that the above conversations concerning advertising took place prior to the consummation of the life insurance purchases. As to 'where such discussions occurred and exactly what was said,' I do not remember beyond what I have stated above.

"No. 7. In the order of their occurrence, please state as accurately and in as much detail as you can each conversation you have had with Don B. Reynolds in which any reference was made by either or both of you to the purchase by Reynolds of advertising time from the LBJ Co. or on television station KTBC at Austin, Tex.

"Answer. As stated in the preceding answer, there were these two conversations on the subject either directly with Mr. Reynolds or through Mr. Baker. I do not remember which it was although I think they were with Mr. Baker and I do not remember any other conversations with Mr. Reynolds on the subject. I merely communicated directly to him or through Mr. Baker that the station had found another source for the insurance, that that source was a long-time advertiser and accordingly, the LBJ Co. planned to buy its insurance from that source. At that time Mr. Reynolds offered to purchase advertising for the purpose of meeting the competition of the Texas agent. Certainly I did not "pressure" him to do so.

"No. 8. At the time of any of these conversations, or at any other time during the negotiations for the purchase of life insurance by the LBJ Co. insuring the then Senator Lyndon B. Johnson, were you an officer, employee, or stockholder in the company then owning the KTBC television station, and if so, state what position you held and what percentage of the capital stock you owned, either directly or indirectly.

Answer. As stated above, I was an officer of the LBJ Co. at the time these conversations were held. I was also a stockholder. My position was that of treasurer and member of the board of directors. I owned slightly more than 3½ percent of the stock of the company. All stock was held directly by me except for one share which was held by me on behalf of one of my children.

"No. 9. Did you at any time furnish to Don B. Reynolds or to anyone for him or at his request any information relating to advertising rates, time schedules, or the preparation and use of advertising materials on the KTBC television station of Austin, Tex., and if so, describe such information?

"Answer. No. I have no memory of doing so, and I am sure I did not.

"No. 10. If you have not answered the question in your previous answers to these interrogatories, please explain exactly what you meant by the following quoted words appearing in the report of the interview with you on December 16, 1963, and identified in interrogatory No. 1, above, viz: 'Mr. Jenkins has no knowledge of any conversation between Mr. Baines and Mr. Reynolds, nor does he have any knowledge of any arrangements by which Reynolds purchased advertising time on the TV station.'

"Answer. As to the first part of the quoted words, I meant I had no knowledge of any conversation between Mr. Baines and Mr. Reynolds. So far as I know, no such conversation ever took place. As to the second part of the question, I meant that I did not have knowledge of any arrangements or of the specifics for the purchase of advertising. Your committee received testimony at length from Mr. A. G. Young about the arrangements for the advertising. I had no knowledge about those arrangements till I read Mr. Young's testimony. I did know Mr. Reynolds planned to purchase advertising time, and I have never asserted the contrary.

"No. 11. Did you ever have a telephone conversation with Mr. Albert G. Young of Silver Spring, Md., of the Mid-Atlantic Stainless Steel Co., in which you identified yourself and confirmed that Don B. Reynolds had bought advertising time on the KTBC television station in Austin, Tex., and if so, exactly what did you tell him?

"Answer. I have no memory of such a conversation. It is possible that Mr. Reynolds, directly or through Mr. Baker, asked me to call Mr. Young and to tell him that insurance had been purchased from Mr. Reynolds, and it is also possible that I did so. However, I have racked my brain over the matter and I cannot remember making such a call.

"No. 12. Did you know whether Don B. Reynolds or Robert G. Baker had any agreement or understanding between them providing for a division between them or sharing by them of commissions earned, or to be earned, by Don B. Reynolds as agent from the sale of life insurance policies insuring the life of the then Senator Lyndon B. Johnson, and if so, what was the agreement or understanding and how did you acquire knowledge of it?

"Answer. No.

"No. 13. Did you ever meet and know Mr. George P. Sampson, general agent for the Manhattan Life Insurance Co.?

"(a) When did you meet him?

"(b) Where did you meet him?

"(c) Who introduced you?

"(d) What part did Mr. Sampson have in the insurance transaction with the then Senator Lyndon B. Johnson?

"Answer. Yes.

"(a) It is my recollection that I first talked to him on the telephone in late 1956 or early 1957, in connection with the insurance policies. Mr. Sampson was the general agent here for the Manhattan Life Insurance Co. and thus was the man who had to process any insurance contract written by Reynolds. I talked with Mr. Sampson several times about policy details, rates, physical exams, and the like. The only time I met Mr. Sampson in person was in early 1963, when he brought by some information on the possible conversion to permanent insurance of the policy purchased in 1961.

"(b) In my office.

"(c) No one. Early in the discussion of the insurance policies Mr. Reynolds gave me Mr. Sampson's name and subsequently Mr. Sampson and I called each other several times.

"(d) As general agent for the Manhattan Life Insurance Co., his was the final local authority from the insurance company's standpoint for processing applications for insurance from that company.

"No. 14. Do you know a man by the name of Huff Baines?

"(a) Where does he live?

"(b) What is Mr. Huff Baines' business?

"(c) Is Mr. Huff Baines a relative of the then Senator Lyndon B. Johnson?

"(d) Dr. Mr. Huff Baines sell any insurance on the life of anyone connected with the LBJ Co.?

"(e) If so, please give the details.

"Answer. Yes.

"(a) Austin, Tex.

"(b) Insurance.

"(c) Yes; a cousin.

"(d) I believe he did sell a number of policies on the lives of people connected with the then LBJ Co. In fact he sold a personal policy to me in about 1962.

"(e) I do not know the details of any sales of insurance other than the one to me.

"No. 15. Did you ever mention Huff Baines to either Don B. Reynolds or Robert G. Baker or anyone else in connection with the insurance purchase from the Manhattan Life Insurance Co. by the then Senator Lyndon B. Johnson, or any renewal, additions, or extensions of such purchase?

"(a) What was said?

"Answer. Yes; although I do not remember whether I used Mr. Baines' name or merely referred to him as a relative of Senator Johnson who was in the insurance business.

"(a) As stated above, I told either Mr. Reynolds or Mr. Baker that the station planned to buy the insurance policies on the then Senator Johnson from a local insurance man who was and would be an advertiser on the station. I was referring to Mr. Baines and I may have mentioned his name."

The foregoing testimony clearly indicates that the original affidavit sworn to by Walter Jenkins did not contain a full and correct statement of the facts. The foregoing testimony, also, to a considerable degree, supports the earlier testimony concerning the requirement that the television time had to be purchased by the agent who sold the insurance. Had Jenkins been required to submit to cross-examination under oath, the testimony could have been reconciled to a greater degree.

A reading of the other interrogatories and answers of Walter Jenkins fails to disprove the sworn testimony of Don Reynolds. As a matter of fact efforts were made by the majority to discredit the testimony of Don Reynolds, and they refused to call Walter Jenkins whose testimony would tend to corrobate Reynolds.

The refusal on the part of the majority to call Walter Jenkins throughout all the months of the first phase of the hearing was without any valid reason, medical or otherwise. The absence of the complete testimony of Walter Jenkins continues to leave the work of the committee unfinished.

During the first hearings on March 23, 1964, we of the minority moved to recall Don Reynolds as a witness. Had we not been voted down 6 to 3 much embarrassment could have been spared the committee at the opening of the second hearings.

Of all the individuals contacted by our staff, Deane Beman, former U.S. amateur golf champion and insurance consultant to Melpar, is the only one who refused to be interviewed. The staff report on Beman strongly suggested he be subpenaed and placed under oath to testify. Another 6-to-3 vote prevented us from finding out what this individual knew of Baker's activities.

Paul Ferrero, former Deputy Commissioner of the FHA, was contacted by Baker in behalf of Paul Aguirre. We do not know what Mr. Ferrero could have told us about Baker's call, but it should have been investigated and it was wrong that a 5-to-3 vote prevented the committee from securing this testimony.

On March 24, 1964, Senator JOHN SHERMAN COOPER moved to recall William Kentor as a

witness. Kentor had been forced to pay Baker a finder's fee on the importation of foreign meat when, in fact, Baker was no finder at all. A 5-to-3 vote prevented us from getting additional testimony from Mr. Kentor.

Max Kampelman was a former Senate employee and believed to be one of the founders, and was a director, and general counsel of the District of Columbia National Bank. Besides telling us of Baker's extensive dealings with this bank, and they were extensive, Mr. Kampelman could have told about any other Senators or Senate employees who were either connected with the bank or investors in its stock. A 5-to-4 vote kept the witness from getting the testimony of Mr. Kampelman.

On June 30, 1964, Senator JOHN SHERMAN COOPER moved that Senator JOHN WILLIAMS of Delaware be recalled to present any additional information that might recently have come to him. The motion also included the calling of Senator CLIFFORD CASE, Senator THOMAS J. MCINTYRE, and Jack Anderson, a director of Riddle Airlines, all of whom offered to testify. The majority members never even permitted Senator COOPER'S motion in reference to these four witnesses to be considered on its merits and the motion was tabled by a straight party line vote.

There were presented to the committee allegations in reference to some political contributions alleged to have been made by some individuals with the International Telephone & Telegraph Co. A motion was made by Senator JOHN SHERMAN COOPER to investigate these allegations but it was defeated by a solid majority vote.

We think it is significant, and we thing it was wrong that the majority at no time adhered to the rule which provided for the calling of witnesses with relevant information as requested by the minority.

Another practice followed by the majority over the protests of the minority is related to the refusal to call witnesses and likewise prevented a full investigation. We refer to the procedure followed by the majority of receiving as evidence reports from the Department of Justice containing selected material on individuals whose names came up in the course of the investigation. The reports we refer to are those on Don Reynolds and Ellen Rometsch. These reports were received in evidence by the majority. The readers of this minority reports should be aware of certain facts. The Reynolds-Rometsch reports prepared by the Department of Justice do not carry a statement that they are full reports of all the information the Department of Justice has in its files. They constitute a publication of selected material, and do not carry sufficient facts accurately to picture the true situation. The minority contends, as it did during the investigation, that the best evidence is always sworn testimony where the witness can be cross-examined by all members of the committee.

We would also point out that these reports which have been received as evidence place the Federal Bureau of Investigation in a position unfair to the Bureau. We believe that the Federal Bureau of Investigation is a fine organization with a splendid record of thoroughness and impartiality in its investigations. The FBI does not publish reports on the individuals that they have investigated. Their files contain all the facts that they can gather about an individual including reports of accusations made and other similar material. It is their practice not to disseminate this information. We agree with that practice.

The long-established policy of the FBI has been not to make public their reports. In the investigation by this committee the Department of Justice has furnished the committee with reports that have contained specific quotations and other information obtained from the files of the FBI. These summaries received in evidence are not reports of the FBI, yet, as presented, Senators and others might be led to believe that they were FBI reports. Our position is that this is unfair to the FBI and it gives an erroneous impression to the Senate and the general public. We point out that the method of using this type of summary from the Department of Justice is used by the majority in their report to discredit those who have given or might have been able to give useful testimony concerning individuals coming within the purview of the investigation.

In contrast, the majority did not seek a Justice Department report on Robert Baker. This practice is not only faulty but also fails the test of the best evidence and is misleading.

III. THE M'CLOSKEY AFFAIR

The Committee on Rules and Administration opened the second phase of the investigation only after being directed to do so by the Senate, and with specific directions to investigate further the case of Mr. Matthew H. McCloskey.

One of the questions for the committee to determine was, Was there an overpayment by McCloskey on the performance bond on the District of Columbia Stadium? The true and correct amount of the premium being $73,631.28, whereas the payment actually made was $109,205.60.

The testimony of Mr. McCloskey was vital to the investigation from the very beginning. The minority repeatedly requested that he be called. Under the rules of the committee, the minority or any member was entitled to have any witness called who had relevant information. These minority rights were constantly overrun. The repeated requests of the minority were not only denied, but also, when a formal motion was made and a vote taken, we were voted down.

On March 23, 1964, the minority's request to call Matthew H. McCloskey was refused by the majority on a 6-to-3 vote not to call him.

The intended procedure of the committee, when the investigation started was that witnesses should be sought out and interviewed by the staff. Thereafter there should be an executive session to ascertain what information they could give under oath, and then this would be followed by the testimony in open session. In open session there would be an opportunity to develop all the facts fully. The minority had no reasons to suspect the majority would prevent the holding of open sessions when the testimony was obviously relevant to the investigation.

The insurance man, Don Reynolds, was interviewed many times. He was called in executive session to testify, and he did testify. His testimony was discussed in some detail in the first report of the committee. In executive session Reynolds testified about the sale of the performance bond in a very limited way. The minority fully expected that Reynolds would be recalled in public session, and a request for Reynolds' testimony in public session, and a request for Reynolds' testimony in public session was made repeatedly. On March 24, 1964, the minority request to recall Reynolds was refused by the majority in a 6-to-3 vote not to recall him.

"The following testimony given by Reynolds in executive session is important. The fact that there was a payment to Robert Baker and to William McLeod, then clerk of the District of Columbia Committee of the House of Representatives, was ample notice to the committee that the entire performance bond transaction should be explored thoroughly and that the testimony of Mr. McCloskey was essential. Don Reynolds did sell the bond, as shown in the following testimony:

"Mr. MCLENDON. Did McCloskey receive the award of the contract for construction of the stadium?

"Mr. REYNOLDS. Yes, sir.

"Mr. MCLENDON. And did you write the bond?

"Mr. REYNOLDS. Yes, sir. As broker.

"Mr. MCLENDON. Do you remember the amount of the bond, face amount of the bond?

"Mr. REYNOLDS. It was either $14 or $15 million. The penalty amount of it, sir.

"Mr. MCLENDON. And what was the amount of the premium?

"Mr. REYNOLDS. I think the gross amount was in the neighborhood of $73,000 or $74,000.

"Mr. MCLENDON. And do you remember the amount of your commission?

"Mr. REYNOLDS. It was about $10,000, sir."

For the fact that the premium on the bond was $73,631.28 and the commission was $10,031.56, see Reynolds exhibit 1, first hearings.

Thereafter Reynolds made payments to Baker and McLeod for their services in connection with the bond, as shown by the following testimony.

"Mr. MCLENDON. Did you shortly thereafter on or about October 15, 1960, pay to Robert G. Baker the sum of $4,000 in compensation for his services in connection with the procurement of that bond?

"Mr. REYNOLDS. I did, sir.

"Mr. MCLENDON. I show you what appears to be copies of two checks of Don Reynolds Associates, one for a thousand dollars payable to McLeod and the second one for $500 payable to McLeod, and ask you to state whether or not they are copies of the two checks delivered by you to McLeod in payment for the invoices to which you refer?

"Mr. REYNOLDS. They are, sir.

"Mr. MCLENDON. So you insist that this $1,500 was paid for services rendered in connection with the stadium?

"Mr. REYNOLDS. The stadium plus the fact that he had always tried to help me in other matters, sir, when I asked him."

The decision of the majority members to refuse to recall Don Reynolds in open session, and the refusal to call Mr. McCloskey prior to the order of the Senate to reopen the investigation, shut the door on an area of inquiry that should have been fully explored if the committee was to comply with the instructions that the Senate had issued.

Although the majority persistently blocked any effective investigation on the part of the entire committee, Senator JOHN J. WILLIAMS, of Delaware, continued with his efforts in order to bring out the truth and clean up the mess. For instance, Senator WILLIAMS learned from the witness, Don Reynolds, that Reynolds was of the opinion that there had been an overpayment on the bond by McCloskey. Reynolds had made no such accusation in executive session because, as stated by him, he had no record of the invoice, nor did he have the check. The invoice and the check were in the hands of McCloskey and the committee refused to summon him. After long and diligent efforts, Senator WILLIAMS did locate a photostatic copy of the check given by McCloskey for the bond. We wish to point out that Senator WILLIAMS had no power of subpena. He was not furnished a staff such as the committee had, but he did possess a desire to bring out the truth.

As illustrative of the failure of the majority to investigate, we wish to cite again the

following votes that were taken in committee and the result of the votes in this effort of the minority to call witnesses and pursue a complete investigation:

Date	Issue	Result
Jan. 17, 1964	To release Reynolds testimony	6 to 3 to release it.
Mar. 23, 1964	To call Margaret Tucker Broome	6 to 3 not to call.
Do.	To call Rein J. Vander Zee	Do.
Do.	To call Jessop McDonnell	Do.
Do.	To call Mathew H. McCloskey	Do.
Do.	To call Paul Aguirre	5 to 4 not to call.
Do.	To call Warren L. Neil	6 to 3 not to call.
Do.	To call Nick Popich	5 to 4 not to call.
Do.	To call Walter Jenkins	6 to 3 not to call.
Mar. 24, 1964	To recall Don B. Reynolds	Do.
Do.	To call Deane Beman	Do.
Do.	To call Paul Ferrero	5 to 3 not to call.
Do.	To recall William Kentor	Do.
Do.	To call Max Kampelman	5 to 4 not to call.
June 29, 1964	To call Senators Williams, Case, Morse, McIntyre, and Jack Anderson.	6 to 3 not to call.
Feb. 8, 1965	To acquire additional medical testimony on Jenkins	6 to 3 not to secure additional medical evidence.

The majority of the committee on the 8th day of July 1964, filed a report. The first paragraph on page 1 of that report carried the following language:

"The Committee on Rules and Administration, which, pursuant to Senate Resolution 212 * * *, was authorized and directed to make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, having concluded such study, submit the following report to the Senate thereon together with recommendations."

We, the minority members of the Committee on Rules and Administration, filed a dissenting report on July 8, 1964, which stated that the investigation had not been concluded and that the various avenues which should be inquired into had not been explored. Moreover, we asserted that the majority had refused to call the necessary witnesses so essential to a full and complete investigation.

The minority report, filed on the 8th day of July 1964, contained the following language:

"We are unable to concur in the majority report of this investigation. We cannot concur because the investigation never has been completed. Proper judgments, conclusions, and recommendations can be drawn only when all the facts are in. An investigation, in order to be accurate and fair, must be complete and thorough. Every possible witness who may have helpful information should be called, placed under oath, and questioned. This is the only way to obtain the truth and the whole truth. This was not done in the so-called Baker investigation.

* * * * *

"The majority not only violated rule 19 repeatedly, but they used their superior numbers, six majority as against three minority, to frustrate and beat down every effort on the part of the minority to call witnesses and complete the investigation.

"The full story has not been disclosed concerning Bobby Baker and those associated with him, including present and former Senators and Senate employees. It has not been told because the majority prevented the investigation from proceeding."

The assistance of Senator JOHN J. WILLIAMS to the committee has been invaluable. This was true in the original instance when the investigation was initiated and throughout the following months. Repeatedly Senator WILLIAMS passed on information or suggestions that, if followed, would have been most helpful. After the final report on the 8th day of July 1964 was filed, hearings discontinued and the staff substantially disbanded, Senator WILLIAMS found it necessary to report to the Senate because the committee was no longer active. On the 27th day of July 1964, on the floor of the Senate, Senator WILLIAMS made the following statement:

"But what the committee does not have and which the committee should have and which I hope it will still try to obtain, is a copy of Mr. McCloskey's check to Mr. Reynolds as payment for this stadium insurance. I think it would be very important to have that information.

* * * * *

"While it may be merely routine, I should like to see the $73,631.28 check to see if that is exactly what was paid. I would suggest that even now the committee could obtain a copy of that check. It may be interesting."

Had the rules of the committee been followed and the efforts of the minority to call Mr. McCloskey and other witnesses prevailed, all of these facts, including McCloskey's check and invoice, would have been before the committee. The majority, through Chairman JORDAN, later contended that they were not closing up their work when they fled the first report. But even after the time Senator WILLIAMS suggested that Mr. McCloskey's check be obtained, the majority could have proceeded to secure the check and the testimony of Mr. McCloskey. The majority made no such move. They totally ignored this very helpful suggestion that Senator WILLIAMS had offered. Even though the committee had the power of subpena and had been voted the funds necessary to employ a staff to conduct a full investigation, they still did nothing. None of these investigative resources was available to Senator WILLIAMS. Yet he continued to work until he obtained a copy of the check written by the McCloskey company to Don Reynolds. That check speaks for itself. It is a document that cannot be impeached. The issuance and the delivery of the check have never been denied. That check was identified as "Exhibit No. 20" in the hearings, and it is reproduced here as follows:

"Mr. MCLENDON. Give him exhibit 20, please. Look at exhibit 20 and tell us whether that is a correct copy of McCloskey & Co.'s check payable to Don Reynolds & Associates, Inc., in the amount of $109,205.60?

"Mr. REYNOLDS. It is, sir.

(The exhibit referred to is not included in the RECORD.)

"Mr. MCLENDON. Does it contain an endorsement on the back: 'For deposit only, Don Reynolds Associates, Inc., 8485 Fenton Street, Silver Spring, Maryland.'?

"Mr. REYNOLDS. It does, sir."

This whole investigation has been one marked by a refusal to investigate, by attempts to cover up, and by a failure of the majority to inform the minority of all the information that had been turned in to the committee, and foot dragging generally. The majority position in reference to their coverup of the facts in the McCloskey case is quite typical of the report written by the majority of the committee. The majority claims surprise when Mr. WILLIAMS produced the foregoing McCloskey check, notwithstanding the fact that he had several weeks before, asked them to secure the check. Then, at the same time, they criticized Senator WILLIAMS for not doing the committee's work at an earlier date.

As shown earlier, the amount of the premium on this bond was much less than the amount of the check shown above. Mr. McCloskey's only explanation is that it was a "goof."

The following testimony is the real "goof" proof:

"Mr. MCLENDON. Will you point out to me anything on this bill that would be identifiable as a premium on the bond?

"Mr. REYNOLDS. Sir, there is a question of insurance intelligence and there is a question of ordinary civil intelligence. And any person reading that bond will know that the total premium I billed Mr. Matt McCloskey is $109,205.60, period. There is no policy number nor identification. Under any policy that my agency has ever issued or may issue there is a policy issued identifying it, and the premium on individual policies, sir.

"Mr. MCLENDON. Well——

"Mr. REYNOLDS. It was a coverup that was made at the suggestion of Mr. McCloskey and Mr. Baker, Major McLendon; it wasn't mine.

"Mr. MCLENDON. All right; so the words 'general liability' are meaningless.

"Mr. REYNOLDS. Absolutely no meaning except for people who want to read it in there.

"Mr. MCLENDON. That is camouflage?

"Mr. REYNOLDS. Well, I consider it as such.

"Mr. MCLENDON. And you intended this to be an invoice for $109,000 as a premium on the bond only?

"Mr. REYNOLDS. Mr. McCloskey knew that, sir.

"Mr. MCLENDON. I didn't ask you what Mr. McCloskey knew. Did you intend this invoice to be for $109,000 premium on the bond only?

"Mr. REYNOLDS. I intended for it to read the way Mr. McCloskey and Mr. Baker had instructed me to issue it, sir.

"Mr. MCLENDON. Well, you wrote it?

"Mr. REYNOLDS. Yes; but I was given instructions, sir.

"Mr. MCLENDON. And wouldn't you admit as an experienced insurance man that anybody reading this would interpret it to mean that the two items constituting the $109,000 were, one, the premium on the bond; and the other, the premium on the general liability insurance?

"Mr. REYNOLDS. Not if I had been on the original conversation and knew the background and knew the request for the full amount I would not construe such, sir.

"Mr. MCLENDON. Well, suppose somebody would see this invoice that knew nothing about the background?

"Mr. REYNOLDS. Sir, I was instructed to mail it personal and confidential to Mr. Matthew McCloskey and no one else, which I did.

"Mr. MCLENDON. This letter doesn't show as personal and confidential?

"Mr. REYNOLDS. It was on the envelope and Mr. Baker so instructed me to put it.

"Mr. MCLENDON. You haven't got the envelope?

"Mr. REYNOLDS. I haven't got the envelope; Mr. McCloskey might be able to produce it.

"Mr. MCLENDON. I am asking if there is anything on the letter that shows it.

"Mr. REYNOLDS. No; but it was done because Mr. Baker asked me to do it.

"Mr. MCLENDON. Did you know when you prepared this invoice for $109,000 it was false?

"Mr. REYNOLDS. It goes without saying; I was instructed what to put and I put it.

"Mr. MCLENDON. You knew it was false?

"Mr. REYNOLDS. Certainly; I was told what to do.

"Senator CURTIS. Mr. Chairman, may I ask a question? Is this billing to McCloskey for this $109,205.60 in the column which is

printed 'premium'—this billing is in the manner and in the form that you usually would send a bill if you write it?

"Mr. REYNOLDS. No; without a company and a policy number it has no meaning whatsoever.

"Senator CURTIS. In other words, this was a bill or an invoice that you made out at the direction of Mr. Baker?

"Mr. REYNOLDS. Right, sir; and in turn——

"Senator CURTIS. He gave you that direction over the telephone?

"Mr. REYNOLDS. Correct, sir.

"Senator CURTIS. And it was intended to be vague and misleading because you knew and Baker knew that the $109,000 represented more than the actual premium for which he was billed, is that correct?

"Mr. REYNOLDS. This is a hundred percent correct, sir.

"Senator CURTIS. Yes; and you would—you sent a letter along with it, didn't you?

"Mr. REYNOLDS. Right, sir.

"Senator CURTIS. And that letter begins: 'Enclosed is the invoice as agreed.' In other words, that was as agreed and directed to you by Baker?

"Mr. REYNOLDS. Baker told me that he and Matt had agreed on the amount, and how I should bill it, sir.

"Senator CURTIS. Why did they make it 35,000-and-some-odd dollars more than the true amount?

"Mr. REYNOLDS. Well, I asked Bobby why we didn't round it out to even dollars. It looked a little foolish, and he said, 'To throw anyone off who would later audit it.'

"Senator CURTIS. What was the excess for?

"Mr. REYNOLDS. It was to be given part to me for being the bagman.

"Senator CURTIS. Yes. How much?

"Mr. REYNOLDS. $10,000 additional premium which was the equivalent of what you would call the contingency reserve loss earned premium portion. In other words, had I written this through a company I represented I not only would have made the $10,300 commission, which is what they call local agent or broker's commission, but if you have good contracts and your loss ratio falls below a certain point, sir, the surety companies will give you a contingency reserve loss ratio additional earned premium because you have developed good accounts, and——

"Senator CURTIS. So you got the $10,000 out of the $73,000?

"Mr. REYNOLDS. I got $10,300 and something as commission as shown on the——

"Senator CURTIS. Out of the 73?

"Mr. REYNOLDS. Right, sir.

"Senator CURTIS. And $10,000 out of the excess?

"Mr. REYNOLDS. Out of the $35,000 plus; that is correct, sir.

"Senator CURTIS. What was done with the balance of that?

"Mr. REYNOLDS. I disbursed——

"Senator CURTIS. It would be in the neighborhood of $25,000.

"Mr. REYNOLDS. $25,000 plus, more or less; right, sir.

"Senator CURTIS. Yes.

"Mr. REYNOLDS. I delivered to Mr. Robert G. Baker $5,000, or fifty $100 bills, on five separate occasions.

"Senator CURTIS. When this $109,205.60 came to you, what did you do with it?

"Mr. REYNOLDS. I asked Bobby could I give him the money then and he said 'No.' He said: 'Stick it in a bank which you normally do not use so any of these people snooping around would have one hell of a time finding it.'

"Senator CURTIS. What bank or financial institution did you place it in?

"Mr. REYNOLDS. In a building and loan because Bobby told me I could get interest on it.

"Senator CURTIS. What building and loan?

"Mr. REYNOLDS. Let's see; Citizens Building & Loan.

"Senator CURTIS. Where is that located?

"Mr. REYNOLDS. In Silver Spring.

"Senator CURTIS. So far as you know their records bear this out?

"Mr. REYNOLDS. Yes, sir. To the best of my knowledge.

"Senator CURTIS. And you put in the entire $109,000?

"Mr. REYNOLDS. $109,000.

"Senator CURTIS. $109,205.60?

"Mr. REYNOLDS. Right.

"Senator CURTIS. How did you get the $73-odd thousand out?

"Mr. REYNOLDS. I had to withdraw funds from the Citizens Building & Loan, have them subsequently issue checks to me that I could deposit in Suburban Trust so I could pay Hutchinson, Rivinus for their bill.

"Senator CURTIS. Now, and Baker told you that the political end of it, $25,000, wasn't to be turned over to him all at one time?

"Mr. REYNOLDS. Bobby told me he could not take all of the additional money and he would instruct me at which point and how much he could take.

"Senator CURTIS. What were those instructions that followed?

"Mr. REYNOLDS. He told me that he would like $5,000 at a time, sir. But only to do it when he told me, and he told me under no circumstances to bring him a check from me or from the building and loan, but to take that check and go to another institution or to obtain cash for it.

* * * * *

"Senator CURTIS. But every time your payment to Baker was in cash?

"Mr. REYNOLDS. Yes, sir.

"Senator CURTIS. What was it intended for?

"Mr. REYNOLDS. He told me from what I had interpreted the conversation with Mr. McCloskey that $15,000 of the $25,000 was to be directed to the presidential campaign, sir.

"Senator CURTIS. And what was the other 10?

"Mr. REYNOLDS. The other 10 would be directed for political purposes as Bobby and Mr. McCloskey saw fit, or to Bobby, and I was never sure, sir.

"Mr. REYNOLDS. I think it is in the record, sir, that from this amount Mr. Baker, even before I got the checks, had a check for $4,000 that I had drawn on my personal account.

"Senator CURTIS. And that was by check?

"Mr. REYNOLDS. That is correct, sir.

"Senator CURTIS. And that is the one that is in the hearings of your previous testimony which has been released to the public?

"Mr. REYNOLDS. That is right, sir.

"Senator CURTIS. So you paid Baker $4,000 out of that portion?

"Mr. REYNOLDS. Yes, sir.

"Senator CURTIS. Did you pay anybody else any part of that premium?

"Mr. REYNOLDS. Subsequently I did, sir. I paid Mr. McLeod—William McLeod—$1,000 and a $500 payment that is also in testimony, sir.

"Senator CURTIS. And how much total did you give Mr. McLeod?

"Mr. REYNOLDS. $1,500, sir."

That there were irregularities is supported by the documentary evidence such as the check. Mr. McLeod, then an employee of the House, corroborates the fact that he got his money. Robert Baker, then an employee of the Senate, by taking the fifth amendment, refused to avail himself of the opportunity to deny any of the testimony concerning his participation, the commission, or the handling of funds that ended up as a political contribution to the Democratic Party.

The McCloskey Co. paid the full amount; to wit, $109,205.60. They charged it off as a business expense and so deducted it for income tax purposes. Clearly it was not a business expense and it was not deductible. The handling of this expenditure in this manner was explained by William K. Stewart, vice president of McCloskey & Co., by the following testimony concerning the 1961 income tax return for McCloskey & Co., exhibit 37:

"Mr. MCLENDON. Will you tell the committee whether or not in that tax return McCloskey & Co. included as an operating or, deductible expense the amount of $109,000-plus, represented by the check of McCloskey & Co., to Don Reynolds Associates?

"Mr. STEWART. Yes, sir; it is included as a cost of goods sold in the $34,848,000 figure on the first page of the 1120 form; form 1120, the second line."

After obtaining a copy of the check showing the real amount paid by McCloskey, the committee had obtained a copy of the letter and invoice, exhibit No. 17, from Hutchinson, Rivinus & Co., to Reynolds regarding the McCloskey bond, and the invoice or bill, exhibit No. 18, which Reynolds submitted to the McCloskey Co. Mr. Reynolds testified that these invoices were made out according to the agreement that had been made for the padding of the bill so that it would carry extra funds for political contributions. The invoices are as follows:

HUTCHINSON, RIVINUS & Co.,
Philadelphia, September 13, 1960.

Re McCloskey & Co., bond No. 4S–40225, the Aetna Casualty & Surety Co., contract for construction of Columbia Stadium, Washington, D.C.

Mr. DON B. REYNOLDS,
President, Don Reynolds Associates, Inc.
Silver Spring, Md.

DEAR MR. REYNOLDS: In accordance with instructions from Mr. J. B. McHale, Jr., of this office, we enclose herewith our invoice for the premium of $73,631.28 covering performance bond in connection with the above-captioned contract, less commission of $10,031.56, or net owing us of $63,599.72.

Yours very truly,
HUTCHINSON, RIVINUS & Co.,
By ATWOOD H. BENT.

(Invoice not printed in the RECORD.)

SEPTEMBER 14, 1960.

Mr. MATTHEW H. MCCLOSKEY,
Philadelphia, Pa.

DEAR MATT: Enclosed is invoice as agreed. Please authorize payment at your earliest convenience.

Thank you very much.

Most sincerely,
DON B. REYNOLDS.

(Invoice not printed in RECORD.)

The invoice cannot be impeached. The check itself is evidence that there was an overpayment.

Mr. Lawrence F. McQuaid had been controller for the McCloskey Co. during the time of this bond transaction. His testimony is clear and direct. It shows that the McCloskey Co. was not misled by any words on the invoice relating to public liability. Mr. McQuaid's testimony reveals the fact that the McCloskey Co. knew that no part of the expenditure of $109,205.60 was for any general liability insurance. It reveals the fact that the McCloskey Co. treated the expenditure as the cost of the bond. Mr. McQuaid's testimony is as follows:

"Mr. MCLENDON. Mr. McQuaid, were you in the employment of McCloskey Co. in the year 1960?

"Mr. MCQUAID. Yes, sir; I was.

"Mr. MCLENDON. When did you terminate your employment?

"Mr. MCQUAID. December 31, 1961.

"Mr. MCLENDON. How long prior to December 1961 had you been in the employ of the company?

"Mr. MCQUAID. A little over 4 years.

"Mr. MCLENDON. In what capacity were you employed?

"Mr. MCQUAID. Controller.

"Mr. MCLENDON. Controller?

"Mr. MCQUAID. Yes, sir.

"Mr. McLENDON. What were your duties, generally?

"Mr. McQUAID. I was in charge of the accounting department.

"Mr. McLENDON. Did you have overall supervision of the entire accounting department during that time?

"Mr. McQUAID. Yes, sir.

"Mr. McLENDON. Some reference has been made here in prior testimony that McCloskey & Co., at that time, for tax purposes, were working on what is known as the completed contract basis, is that correct?

"Mr. McQUAID. That is right.

"Mr. McLENDON. What does that mean?

"Mr. McQUAID. Well, that means that on these major jobs which last over a year or two in operation, all of the income and all of the costs are deferred until the year in which the job is completed, and then it is taken into the accounts.

"Mr. McLENDON. Then you determine whether there was a profit or loss, when the contract is completed?

"Mr. McQUAID. Yes, sir.

"Mr. McLENDON. Then, of course, whatever that determination is, is reflected in the income tax returns?

"Mr. McQUAID. Right.

"Mr. McLENDON. For the year in which the job is completed?

"Mr. McQUAID. Right.

"Mr. McLENDON. Mr. McQuaid, there is in evidence in this proceeding a document marked 'Exhibit 18,' which appears on page 156 of the record. Could somebody hand the witness a copy so he knows what I am referring to? You have it there, do you not?

"Mr. McQUAID. Yes, sir; page 156.

"Mr. McLENDON. Exhibit 18, appearing on page 156, part 2, containing the testimony of Don B. Reynolds, on December 1, 1964. It is in evidence, Mr. McQuaid, that that document was received by McCloskey & Co. and approved by Mr. William Stewart, who has testified in person, and then a stamp was placed on it, which you see there on the exhibit, giving the contract number and charge—I guess that is a code number, isn't it?

"Mr. McQUAID. That is a charge account code number, sir.

"Mr. McLENDON. Charge account code number, with the word 'approved.' It also bears a date—stamped date—October 17, 1960, isn't it?

"Mr. McQUAID. I suppose it should be 60. It is a little——

"Mr. McLENDON. A little blurred.

"Mr. McQUAID. Blurred; yes.

"Mr. McLENDON. Do you have any recollection that this particular document ever came to your personal attention as controller?

"Mr. McQUAID. No, sir; I have no present recollection of ever having seen this document personally.

"Mr. McLENDON. In connection with that, the record also shows exhibit 20, which appears at page 171 of the printed record you have before you. It was a check of McCloskey & Co., signed by T. D. McCloskey, dated October 17, 1960, in exactly the same amount as the invoice which was marked 'Exhibit 18'—$109,205.60. Do you have any recollection that that check ever came to your personal attention?

"Mr. McQUAID. No, sir; I do not.

"Mr. McLENDON. If the invoice and the check, as appear in this record, had come to your attention with a stamp on the bill and the information that Mr. Stewart had approved it, what would have been the method of processing it through your records?

"Mr. McQUAID. I am sorry—what would what?

"Mr. McLENDON. I say if this invoice had come to your attention bearing the stamp of approval, and the information that Mr. Stewart had approved it, and then you found the check which corresponded to the bill, what would have been the process by which these documents would have been handled in your accounting?

"Mr. McQUAID. Well, I would say just about the way they apparently had been handled here. They would have been processed and charged into the particular job, which is this 403, the District of Columbia Stadium, and set up for payment at the appropriate time. The bill is stamped 'Paid, October 17, 1960,' and that is the date of the check that paid it. It seems to be all in order.

"Mr. McLENDON. If anyone had called your attention to the fact at that time, or raised a question—whether it was a fact or not—that maybe this bill for insurance would be paid twice, what would you have done then?

"Mr. McQUAID. That it would be paid twice?

"Mr. McLENDON. Yes.

"Mr. McQUAID. I would do what I could——

"Mr. McLENDON. That this check would be a duplicate payment—would constitute a duplicate payment. What would you have done?

"Mr. McQUAID. I would try to stop it.

"Mr. McLENDON. Sir?

"Mr. McQUAID. I would have tried to stop the duplicate payment.

"Mr. McLENDON. You would have stopped it, wouldn't you?

"Mr. McQUAID. I could not stop the payment, because I did not initiate the payment. But I would try to stop it by bringing it to the attention of those who would pay it.

"Mr. McLENDON. I am not trying to be facetious. What I mean is that as controller you would not have stood by and see it paid twice, without doing something about it.

"Mr. McQUAID. Not deliberately; no, sir.

"Mr. McLENDON. But it appeared to be perfectly regular. Is it true it was processed in all your records?

"Mr. McQUAID. Yes.

"Mr. McLENDON. And would finally be treated as an expense item in computation of income tax?

"Mr. McQUAID. It wound up in the proper slot in accordance with this coding, in our records.

"Mr. McLENDON. I believe that is all.

"The CHAIRMAN. Senator CURTIS?

"Senator CURTIS. Yes, Mr. Chairman. You made reference to the coding. What does that code show on this bill shown on page 156?

"Mr. McQUAID. It shows C–403, which indicates the contract number assigned to the District of Columbia Stadium job, and a subcoding, 32.

"Senator CURTIS. What does the 32 mean?

"Mr. McQUAID. Which indicates the bond costs on that job.

"Senator CURTIS. The bond costs?

"Mr. McQUAID. Yes.

"Senator CURTIS. Was the whole amount charged to bond costs?

"Mr. McQUAID. Yes, sir.

"Senator CURTIS. Why?

"Mr. McQUAID. Because that is the coding on it.

"Senator CURTIS. Who put that coding on it?

"Mr. McQUAID. The accounts payable clerk, I would assume.

"Senator CURTIS. Who did?

"Mr. McQUAID. Well, the handwriting is familiar to me, but I would only be guessing.

"Senator CURTIS. Whose handwriting is it?

"Mr. McQUAID. It looks like the accounts payable clerk.

"Senator CURTIS. His name?

"Mr. McQUAID. It was a she.

"Senator CURTIS. What was her name?

"Mr. McQUAID. Miss McCloskey.

"Senator CURTIS. Miss McCloskey?

"Mr. McQUAID. Miss Agnes McCloskey.

"Senator CURTIS. Who is she?

"Mr. McQUAID. The accounts payable clerk.

"Senator CURTIS. Is she related to the management of the company?

"Mr. McQUAID. I believe so.

"Senator CURTIS. Do you know?

"Mr. McQUAID. I think so, but I don't know just by what degree of relationship.

"Senator CURTIS. And her code directed that to be charged as all performance bond?

"Mr. McQUAID. Yes, sir. The code of account for that job——"

The foregoing testimony is convincing proof that the overpayment on the bond was not an innocent mistake or goof. The McCloskey company, and even one of the McCloskey family, received the invoice, approved payment, and directed that it be charged to the performance bond expense. These facts are not denied by Miss Agnes McCloskey who coded the invoice "C–403" indicating that the expenditure was to be charged to the District of Columbia Stadium job and further subcoding it No. 32 which, in effect, directed that the full expenditure be shown as cost of the performance bond.

These facts negate the claim of Mr. Matthew McCloskey that this traction was a mere goof. It was highly irregular. This performance bond transaction has been unanimously voted by the committee to be included in the material laid before the Attorney General for investigation, because that vote directed the Attorney General to examine the entire record in the investigation for possible violations of the law.

Notwithstanding the fact that an overpayment was made for the bond, and that part of the excess may have been used for political purposes, and that it was improper to claim it as a tax deduction, and that an irregular payment was made to Robert Baker and William McLeod which are fully supported with documentary evidence, the majority of the committee makes the startling statement in their report:

"On these aspects of the District of Columbia Stadium matter, the committee concluded, from the extensive testimony and documentary evidence, that no impropriety was committed by public servants or by McCloskey or his associates."

The foregoing statement is not supported by evidence. In fact, all of the evidence indicates that the transaction contained wrongful, irregular, and fraudulent aspects which were in violation of law. We cannot concur in such a statement of the majority because it is contrary to all the facts.

Finally, it should be noted that Senator COOPER requested that McCloskey & Co., their agents, Hutchinson & Rivinus, and the carrier, the Aetna Casualty & Insurance Co., supply records to the committee for the purpose of ascertaining whether there was any additional evidence to support or contradict the testimony of either McCloskey & Co., or Reynolds, concerning the overpayment of the insurance premium. No such records were submitted to the committee by these companies.

Some of the details concerning the untiring, beneficial, and cooperative efforts of Senator JOHN J. WILLIAMS are covered elsewhere in this report, but we, at this time, would remind the Senate of the great contribution of Senator WILLIAMS in an effort to get the truth and the whole truth.

IV. DON B. REYNOLDS

A disturbing aspect of the Baker investigation was the continuing efforts to discredit witnesses who were willing to testify before the committee and whose testimony extended the investigation into new areas. This was the case with respect to Don B. Reynolds.

The minority points out that testimony could not be reasonably expected from people of the highest character and integrity because people of that type were not associated with Mr. Baker in his improper activities, or in other improper activities which

came to the attention of the committee. Evidence had to be sought from people who were associated with him, or engaged in other improper activities.

Mr. Reynolds was an associate and friend of Mr. Baker and engaged with him in certain business activities. We do not condone or approve his association in these activities. But his testimony upon specific issues before the committee, such as the McCloskey and Jenkins cases, was corroborated by other witnesses and by documentary evidence. His testimony upon these specific issues was relevant to the investigation. Yet the majority reached beyond these specific issues and, by the use of confidential records concerning Reynolds' life years ago—matters not relevant to the specific issues before the committee—attempted to discredit his testimony.

As contrasted with the treatment of other witnesses, the practice of discrediting the testimony of Reynolds is striking.

It is clear from the record that other friends of Mr. Baker were engaged in questionable activities. Some of these friends who testified gave testimony favorable to him, and others claimed the protection of the fifth amendment. But their conduct did not arouse the moral indignation of the majority, and no effort was made by them to discredit these witnesses who gave testimony favorable to Baker.

The committee had the right and the duty to weigh and test the testimony of all witnesses by proper means, and notably by making the effort to secure the fullest testimony on every relevant issue. But we do not believe it is proper or fair to take the extraordinary steps observed in this investigation to discredit a witness.

Witness Reynolds has claimed that at one point the committee staff tried to harass and intimidate him. In a statement filed with the committee, Reynolds said that—

"When he (Chief Investigator Meehan) asked me who discussed the purchase of television advertising space with me and I stated that Walter Jenkins, and Walter Jenkins alone, had, he, the interrogator, thereupon threw a book on the floor and in a boisterous manner informed me that I did not discuss this with Walter Jenkins, that I had discussed it with Bobby Baker."

That such an occurrence as Mr. Reynolds described did take place is confirmed by the minority counsel.

Some of the testimony that Mr. Reynolds furnished during his appearance before the committee in December 1964 has never been, and probably never will be, released to the public. Yet, it is that unpublished testimony which has prompted efforts to discredit and destroy this witness.

On page 1 of the Report by the Department of Justice on Testimony of Don B. Reynolds, it is stated that—

"The committee was in no position to conduct a serious interrogation of the issues raised or the veracity of the witness raising them."

The Senate has passed not one but two resolutions specifically directing our committee to make a thorough investigation of this matter, and such a statement is in direct contravention with the mandate of the Senate.

V. MORAL ISSUES

The majority would not concur with the position of the minority that the committee under the terms of the resolutions had the duty to investigate the allegations concerning party girls and determine their truthfulness and determine whether they were used by Robert Baker or others in promoting their business activities and influencing Government decisions.

As an illustration of the need to pursue all phases of Robert Baker's activities in order to fully investigate his business, financial and other activities, we cite from the committee hearings, part V, page 586, which sets forth quotations from a staff report on Paul Aguirre:

"Mr. Aguirre thinks he first met Robert G. Baker in Baker's office in the Capitol Building, Washington, D.C., approximately 3 or 4 years ago when he was introduced to Baker by Warren Neil at that time. At first Mr. Aguirre stated that he had never had any business deals with Baker but just knew Baker socially. However, subsequently in the course of the interview, Mr. Aguirre did state that he had had business discussions with Baker concerning the organization of the Pasantic Corp., which was a company to be organized for the purpose of operating trailer parks. Mr. Aguirre said originally the plan was to have 10 members in the Pasantic Corp.

"Baker brought Carole Tyler and Elli Rometsch with him from Washington to New Orleans on the May 1963 trip. Mr. Aguirre said he spent several days partying with them in New Orleans but denied going with them to Dallas and Miami. Mr. Aguirre said he knew Carole Tyler socially, had been to her house at 308 N Street SW., and had seen her many times in San Juan, P.R., with Bobby Baker. Mr. Aguirre stated that he didn't want to discuss Baker's private life saying, 'I'm sure Baker is paying dearly at home for this now.'

"Mr. Aguirre reported that he and Warren Neil met Baker, Wilson Abraham, and Nick Popich in New Orleans in June 1963 and from there they went together to see the Patterson-Liston fight in Las Vegas. When asked about who paid the expenses, Mr. Aguirre said Baker picked up the check as often as any of the others of the group.

"When asked further concerning Elli Rometsch, Carole Tyler, and the alleged 'parties,' Mr. Aguirre declined to discuss the matter further stating, 'if I'm asked by the committee about this, I will deny it even if they have photographs. My wife is expecting a denial and she will get it. I'll take the 1st through the 28th.'"

The foregoing report also states that Aguirre said Robert Baker made an appointment for him at the FHA, but that it wasn't fruitful. The report also recites that Baker and Aguirre looked over some property in Houston, Tex.

As another illustration, on December 9, 1964, the majority voted against conducting an investigation into the material provided by Senator JOHN WILLIAMS concerning Ingrid Luttert, Ellen Rometsch, and others. Had the committee investigated in this area as the minority contended it should, answers to many allegations concerning the part that these persons played in Baker's operations, as well as any possible security risks that may have existed, could have been inquired into.

A thorough investigation not only brings out the facts as to any wrongdoing so that appropriate legislation or other remedies may be applied, but also a thorough investigation clears up unfounded rumors and allegations.

VI. THE WORK OF SENATOR JOHN WILLIAMS

The most significant contributions made to the committee during the course of the investigation were made by Senator JOHN WILLIAMS of Delaware.

In 1963, before the committee had even hired a full investigative staff, it was the work of Senator WILLIAMS that uncovered Baker's involvement with MGIC stock, with the Murchison-owned Haitian American Meat Co., and with the Reynolds Insurance Agency. It was Senator WILLIAMS who uncovered the Baker-Reynolds-McLeod-McCloskey connection with the performance bond on the District of Columbia Stadium.

As we have stated heretofore, it was the individual efforts and evidence furnished by Senator WILLIAMS which reopened the Baker investigation and belatedly accorded the committee the opportunity to investigate the McCloskey stadium bond overpayment. The Sweet Water Development Co. matter and the San Rafael, Calif., bank charter were other areas developed by the Senator from Delaware. Without the evidence produced by Senator WILLIAMS, which evidence forced the majority to act, we doubt that the investigation of Robert Baker would have ever occurred.

The minority would like to express an unqualified vote of thanks to Senator JOHN WILLIAMS for his untiring efforts in furthering the progress of this investigation.

VII. RECOMMENDATIONS

We recommend that the Senate Select Committee on Standards and Conduct, which was created by action of the Senate on the 24th day of July 1964, as proposed and offered by Senator JOHN SHERMAN COOPER, be activated forthwith. We are pleased that the majority has made this recommendation even though they opposed the creation of this committee.

We wish to add the following recommendations:

1. We recommend that all congressional officers and employees be prohibited by law from serving as treasurer, or temporary treasurer, or custodian of any type, for the handling of any political fund, or funds, and that all congressional officers and employees be prohibited by law from soliciting and distributing political funds.

2. We recommend that Members of the Congress and all congressional officers and employees be prohibited from soliciting or receiving any compensation, for or on account of personal or professional services rendered or to be rendered by them, from any person having an interest in any congressional legislation, or any person having any matter pending before any bureau, agency, or department of the Federal Government. We also recommend that the payment by any such person of any such compensation to any such Member, officer, or employee for any such services likewise be prohibited.

3. We recommend that criminal penalties similar to those provided by existing conflict of interest laws be provided for violation of the foregoing provisions.

CARL T. CURTIS.
JOHN SHERMAN COOPER.
HUGH SCOTT.

Mr. CURTIS. Mr. President, we might look for a moment at the North American contract with the vending machine company. This contract had its origin perhaps 4 or 5 years ago.

The Apollo contract of more than $1,400 million was awarded by NASA to North American Aviation in November or December of 1961.

The majority of the Rules Committee were negligent in not looking into all possibilities surrounding Serv-U's being awarded the North American vending contract at almost the same time that North American was awarded the gigantic Apollo moon contract.

For instance, Mr. Tucker testified concerning Serv-U that:

The first information I had concerning the corporation was, I would assume, either late November or early December of 1960–61, when Mr. Baker mentioned the fact to me that there was a possibility that a group would go into the vending machine business, and would I like to be counsel for it, and they would pay me a retainer.

When John Leland Atwood, president of North American Aviation, appeared before the committee he testified that

Black first spoke to him about North American letting Serv-U have its vending business in October of 1961. Mr. Atwood also said that, "Mr. Black undoubtedly told me that Baker was interested in it"—Serv-U. At this point it is interesting to note that Serv-U was not even in existence in October of 1961, although at that time NASA was reaching a decision that the Apollo contract would be awarded to North American Aviation. Moreover, the North American plants Serv-U wanted to service were in California, yet the records of the California Secretary of State's office disclose that Serv-U only qualified to do business in that State on January 18, 1962. To make matters even more apparent, Eugene Hancock, at that time president of Serv-U, testified that in December of 1961 the company had neither vending machines nor employees. I quote from the testimony:

Senator CURTIS. May I ask one question at this time? When did you first make your trip to see North American?

Mr. HANCOCK. I think it was in the latter part of December 1961.

Senator CURTIS. How much equipment did Serv-U own on that date, vending equipment?

Mr. HANCOCK. They didn't own any.

Senator CURTIS. And the stock had not been paid in?

Mr. HANCOCK. Not to my knowledge.

Senator CURTIS. So you were a paper organization. You had no equipment, no stock had been issued when you made your call on North American; is that right?

Mr. HANCOCK. There wasn't any equipment.

Senator CURTIS. How many employees did you have.

Mr. HANCOCK. None.

The CHAIRMAN. Well, may I clarify a question for my own benefit? You would not purchase equipment for any contract until you got the contract; would you?

Mr. HANCOCK. Well, yes, sir—you purchase equipment, but not that size; no, sir.

The CHAIRMAN. In other words, would you buy a lot of vending machines without a contract or any place to put them?

Mr. HANCOCK. Not too many; no, sir.

Senator CURTIS. Did you have any vending machines any place on that date?

Mr. HANCOCK. No, sir.

Senator CURTIS. Nor employees?

Mr. HANCOCK. No, sir.

We cannot understand and we do not know why the North American Co. would, in November and December of 1961, consider dislodging a reputable vending concern, Automatic Canteen, that had been successfully serving their plants for over 20 years, in order to take a chance on a new, untested, unincorporated, nonexistent company which had neither employees, nor equipment, nor capital, nor experience.

On January 12, 1962, 6 days before Serv-U was licensed to do business in California, Mr. Hancock sent their vending proposal to North American. It is interesting to note that North American acquired no other proposals except Serv-U's. Thereafter, on January 30, 1962, this proposal was accepted and Serv-U signed a vending contract. Serv-U needed equipment, employees, and capital, and for that they made application for a loan to the Fidelity National Bank of Oklahoma City, Okla.

Later on, after questioning by Senator Cooper, Black admitted that the prime objective of Serv-U was to secure the business of North American and that he did not even pay for his portion of the paper-share stock until a North American contract was signed.

The Black I refer to is Fred B. Black, an official of the North American Co. and its Washington representative, and also a stockholder in Serv-U.

The great portion of the business of North American is done with the Government. This followed right at the time they had received this vast Government contract.

Continuing reading:

Senator COOPER. What I am getting at is this. Wasn't the prime objective of this company to secure the business of North American Aviation?

Mr. BLACK. Well, it would appear so now, because that is the major part of their business.

Not surprisingly, Leland Atwood, president of North American Aviation, admitted that 95 percent of his company's work was with the Government.

It has been contended that Don Reynolds' allegations were inaccurate. For some of these he drew upon his memory. At one time, in a memorandum, he made the mistake of referring to the Apollo contract by another name, but in an interview entirely independent, he corrected it and related the discussions that he had had with Baker and others about the huge Government contract and its relation to the Serv-U contract, which was the principal thing in Baker's financial empire which made for this salaried individual, this officer of the Senate, a fortune which he claimed to be worth more than $2 million.

Mr. President, it is surely not coincidental that Serve-U Corp. got the North American contract during the same period that North American acquired the $1 billion-plus Apollo moon contract.

Let me make it abundantly clear that I do not wish to indict officers, directors, and managers of the North American Co., or any other company. Without a doubt, the principal schemer in this was Mr. Fred B. Black, and that he betrayed his employer.

But, it is also true that this whole issue was never investigated as it should have been. The minority views—which I have asked to be printed in the RECORD today—will show the repeated efforts of the minority to conduct an investigation, and the repeated refusal of the majority to investigate. The result was that the so-called Bobby Baker matter was the greatest whitewash in the history of the Senate. It will serve to stand out as a blot upon the good name of the Senate, because under the dome of the Capitol there was evidence which pointed toward gross corruption and the numerical majority, 6 to 3, was used time and again to prevent the committee from going into certain phases of the transaction—and there were several transactions—to prevent the calling of witnesses, and so forth.

However, Mr. President, there are certain natural laws with which we cannot interfere. One of them is that truth will eventually out. Therefore, little by little, it is coming out.

Let me say again that the Senate and the people of America are very much indebted to the distinguished Senator from Delaware [Mr. WILLIAMS] for his untiring work to give to the people of America an honest government in those spots where they do not have it now.

I ask unanimous consent to have printed in the Record an editorial published in the Omaha World-Herald on Friday, September 3, 1965, entitled "Senate's 'Conscience'."

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

SENATE'S "CONSCIENCE"

When the people of Delaware in 1946 elected Republican JOHN J. WILLIAMS to the U.S. Senate, he was the source of some amusement in the Nation's Capital.

Mr. WILLIAMS was a farmer and a dealer in chickenfeed. Some of the more worldly characters in Washington were certain that he would be far beyond his depth in the Nation's Capital.

As reporter John Barron writes in the current Reader's Digest:

"Detractors privately ridiculed him as a 'pious hick.' Top officials laughed when, working without investigators, funds, or power of subpoena, he started rounding up records and asking simple questions about how they were running Government business.

"Some of them had to stop laughing when they found themselves on the way to the penitentiary."

But sending Government officials to the penitentiary can be a hazardous business. A man who goes about throwing light into the dark corners of Government soon finds the hounds of corruption baying at his heels.

For example, reporter Barron lists some of the happenings that have plagued Senator WILLIAMS in the 2 years since he unearthed the Bobby Baker scandals. Among them these:

Carole Tyler, formerly Baker's confidential secretary, flew to Tennessee to announce to an assemblage of newspapermen that she had seen the principal instigator of the Bobby Baker hearings at 6:30 one morning with a young lady who was not his wife. She failed to point out that the young lady was the Senator's granddaughter.

The Senator's mail has been intercepted and monitored.

Someone sent to Mr. WILLIAMS a 4-page typewritten tale about how three Government officials had made millions through a corrupt deal. It was a plant, made in the hope that the Senator would "go to the floor of the Senate with it," and thus discredit himself.

The Baker investigation was whitewashed and pigeonholed, but JOHN J. WILLIAMS remains on the scene, and as he said recently, "* * * I am not about to be intimidated. In fact, my curiosity and determination grow as resistance intensifies."

In the election campaign last fall Senator WILLIAMS was the Member of Congress which the administration tried hardest to defeat. On the Saturday before election day, Presi-

dent Johnson went to Dover, Del., and appealed to voters: "Give me men I can work with." Delaware voters responded by giving Mr. Johnson a landslide victory, but enough Democrats split the ticket to return JOHN WILLIAMS to the Senate by more than 6,000 votes.

So the man who has been called "the conscience of the Senate" will be there, God willing, at least until 1971. It will be interesting to observe what turn the campaign to discredit him will take next.

Mr. CURTIS. I thank the distinguished Senator from Delaware for yielding to me.

Mr. WILLIAMS of Delaware. I thank the Senator from Nebraska for his comments. I agree with what he has just said; namely, that the success of this vending machine company of Mr. Baker's depended entirely upon his ability to place the machines in factories and with companies that were doing business almost entirely on defense contracts. In order to operate in these defense plants Mr. Baker had to obtain from the Department of Defense a confidential security clearance.

This security clearance for Baker was readily granted months after he had been fired from the Senate and had taken the fifth amendment before a Senate committee.

Mr. President, I repeat questions can properly be raised as to why it was so easy to persuade the Defense Department that it should grant confidential security clearance to Bobby Baker's Serv-U Corp. after he had taken the fifth amendment repeatedly rather than answer questions in connection with some of his official activities while serving on the public payroll.

The Senator from Nebraska has just stated that eventually truth will out.

I agree, and in that connection I repeat an observation that we learned long ago as a boy on the farm, that when whitewash is applied over dirt, it always peels.

I am confident that as the whitewash of the Bobby Baker episode peels off the American people will no doubt be very much surprised.

TRIBUTE TO SENATOR BYRD OF WEST VIRGINIA

Mr. ERVIN. Mr. President, during a recent telecast, Jesse Helms, a commentator upon the contemporary scene, made some complimentary comments upon the candor and courage of our colleague, Senator ROBERT C. BYRD of West Virginia, in an editorial expression telecast by station WRAL–TV of Raleigh, N.C.

I ask unanimous consent to have a copy of these comments printed in the RECORD.

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

WRAL–TV VIEWPOINT

We were commenting the other day upon the wave of violent protests slopping around the ankles of Democratic Senator ROBERT C. BYRD of West Virginia. As we observed, it is often the case that the most precise measurement of a man's worthiness is an examination of his enemies.

In general political philosophy, the Senator is a liberal. But his greatest strength is his dedicated independence of thought and action. He is neither easily frightened nor intimidated. His troubles now—if they can be called that—are being promoted by civil rights organizations and preachers in Washington who dislike the Senator's determination to see that the welfare scandals in the Nation's Capital are cleaned up.

We will leave to others to explain how the Senator's goal can be construed as a matter of either civil rights or religion. We wish merely to comment further on some revelations the Senator made last week:

At a time when the parks and streets of Washington are littered with trash because not enough labor is available to do the work, welfare costs soar because of the claim that no job opportunities exist. This is a classic example of the Government's paying people not to work at a time when the Government itself complains about a shortage of labor. It can hardly be contended that the unemployed people of Washington lack the education and qualifications to stoop to pick up trash and empty beer cans.

A bishop, speaking at a giant rally called for the purpose of attacking the Senator, described Senator BYRD as "a little man, hardhearted, biased and segregation oriented." This quite properly reminded Senator BYRD of the Pharisee who said, "God, I thank Thee that I am not as other men are."

Where was this bishop, wondered Senator BYRD, where were these civil rights leaders during the past 4 years? What have they done to uplift the standards of decency and initiative among the people of Washington?

One of the loudest speakers at the rally was a white woman who had given birth to a child admittedly fathered by a Negro man married to another woman. This woman and her child are on welfare. One can understand her zeal to attack a Senator who proposes to inject the serum of morality into the distribution of welfare funds in Washington, D.C.

The Senator pointed to a lot of little things which he considers related to the overall problem. For example, juvenile delinquents knocked out 27,689 window panes from the windows of schools in Washington. It cost $112,868 to replace them. Nearly 11,000 cases of gonorrhea were reported in the city—more than twice the per capita rate of most other cities in the United States.

The serious crime rate in Washington increased 25 percent last year over the previous year. Automobile thefts increased by 56 percent in a year's time. Murders increased by 39 percent.

He mentioned many groups of mothers with large numbers of illegitimate children. One group of 18 women had a total of 144 such children. Another group of 14 had 126 illegitimate children. Still another group—13 mothers in this one, had an average of 10 illegitimate children each. All of them on public welfare.

It is interesting, the Senator said of his critics, that they have not—and let us quote him—"(they) have not marched in protest against the fact that men, women and children are almost daily being robbed, beaten, raped and murdered on the streets of the Nation's Capital."

We would say to the Senator: It may be interesting, but it's not unusual. It is curious to note what some Americans choose to protest—as well as what they choose to ignore. Still, the Nation owes Senator ROBERT C. BYRD of West Virginia a vote of thanks for standing up for what he regards as important.

THE PEACEFUL SETTLEMENT OF THE RECENT STEEL NEGOTIATIONS

Mr. MONDALE. Mr. President, the world has witnessed a magnificent example of the American free enterprise system in action. I refer, of course, to the peaceful settlement of the recent steel negotiations.

As the President has said, all America has cause to be grateful to the men who negotiated that settlement. They bargained hard, and with skill and conviction, but they put the interests of the Nation first.

As a result of the wisdom and responsibility they displayed, we have achieved one of those rare and happy situations when all are victors. Management has won, labor has won, and the country has won.

The new steel agreement is good for labor. It provides fair and reasonable wage increases, both now and in 1967. As a result of the ratification of the interim increase granted last May, some $25 million will be paid out immediately to more than 350,000 workers.

Workers in the steel industry have achieved an improved pension plan, a plan which gives everyone the right to retire after 30 years' service. Health benefits will be better than ever before, and working conditions will continue to improve.

This settlement is a victory for management. In the absence of a destructive work stoppage in the industry, the steel companies will be able to maintain their competitive position. They can continue to meet not only the competition of other products which might otherwise substitute for steel but, most important, can continue to hold their own against steel producers of other countries. They can now move forward with their programs of modernization and capital investment which will improve their position in all these respects.

Finally, this settlement is a victory for the entire country. It is a victory first because the settlement is noninflationary. The wage increases will raise employment costs per hour at an average rate of 3.2 percent a year over the 39-month period since the expiration of the last contract. This is the precise average annual wage increase spelled out in Government's wage price guidelines. If all American workers were to receive an annual 3.2 percent increase in wages, and our average productivity per worker were to continue to rise at its present rate, the basic level of labor costs in the economy would remain stable.

Thus, the settlement that has been reached both assures labor a fair share in the increasing productivity of the steel industry, and lays the foundation for continued price stability in that industry and, therefore, in the whole American economy.

The period covered by the new contract extends for a further 35 months. Our last steel strike occurred in 1959. And so, with this settlement, we are assured peace in the steel industry for an

uninterrupted period of more than 8 years. Labor peace in this basic industry has had much to do with the 4½ years of continuous economic expansion which we have enjoyed. Now, there is every prospect that this unparalleled prosperity will continue without interruption.

I wish to congratulate—and I believe we should all congratulate—the wise and patriotic leaders of the steel industry, management and labor alike, for this splendid contribution to the Nation's welfare.

Mr. MONTOYA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Without objection, it is so ordered.

RECRUITING TEENAGE BOYS AND GIRLS TO HARVEST THE CROPS

Mr. HART. Mr. President, from time to time this year, difficulties have arisen in obtaining sufficient domestic workers for the harvesting of crops. We have all heard of these situations. However, when an effort to recruit domestic workers for a specific crop is successful, we usually do not read about it in the morning paper.

For this reason, I wish to share with all Senators an experience this year in Michigan's Upper Peninsula where not just American—but Michigan—workers were successfully recruited and organized to harvest a small but significant strawberry crop. These workers included some 4,000 teenage boys and girls who were on the job every morning.

I ask unanimous consent that a letter on this subject to Secretary Wirtz written by Mr. Alex Fuller, Commissioner of the Michigan Employment Security Commission, be printed in the RECORD.

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

MICHIGAN EMPLOYMENT SECURITY COMMISSION,
Detroit, Mich., August 23, 1965.

The Honorable W. WILLARD WIRTZ,
Secretary of Labor, U.S. Department of Labor, Office of the Secretary, Washington, D.C.

DEAR MR. SECRETARY: I am happy to relate to you the circumstances surrounding the harvesting of the Upper Peninsula's strawberry crop in Michigan's copper country, a $250,000 crop which growers are looking forward to expanding.

As related at a training session in Escanaba of the Michigan Employment Security Commission's Upper Peninsula branch office managers by Mr. Russell (Rusty) Hellman, State representative from Dollar Bay, in the heart of the copper country, the story went something like this:

"When I hear of the difficulty some downstate growers have in harvesting their crops because they can't import workers for their fields, I am particularly proud of the copper country boys and girls, and of the Michigan Employment Security Commission's farm placement specialists.

"Between the two of them, some 4,000 boys and girls were on the job every morning at the farms of 76 strawberry growers, by dayhaul, and they picked the $250,000 crop without problems.

"As a result of the operation, the growers were not required to import foreign labor, or even out-of-State labor, and still the crop was harvested at the peak of its readiness. Because of the adequacy of this source of labor supply, strawberry growers in the copper country are being induced to expand their present operation.

"This crop may not compare in size with many of those in the Lower Peninsula, but whenever you put $250,000 into the Upper Peninsula, you are making a big contribution.

"I am proud of the boys and girls in my district, and I am proud of the MESC for bringing them together with the farmers who needed them, when they needed them," Representative Hellman said.

As a new member of the Michigan Employment Security Commission, I feel free to say that I, too, am proud of what our agency has done in a remote area.

In addition to registering some 6,500 agricultural placements by the MESC in the copper country, there were several thousands of youngsters under 16 years of age, who made a substantial contribution toward their fall school expenses, and many others who improved their skill toward participating in next year's harvest.

I am writing this letter because I thought you would enjoy hearing of another instance in which your efforts to combine the skills and energy of American youth with the needs of the American farmer had been justified.

Sincerely yours,

ALEX FULLER,
Commissioner.

RECESS UNTIL 11 A.M. TOMORROW

Mr. HART. Mr. President, I move, under the previous order, that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 4 o'clock and 20 minutes p.m.), the Senate recessed, under the previous order, until tomorrow, Thursday, September 9, 1965, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 8:

GEOLOGICAL SURVEY

William T. Pecora, of the District of Columbia, to be Director of the Geological Survey.

FOREIGN SERVICE

Richard H. Davis, of the District of Columbia, a Foreign Service officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Rumania, vice William A. Crawford.

John H. Burns, of Oklahoma, a Foreign Service officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania.

POSTMASTERS

I nominate the following-named persons to be postmasters:

ALABAMA

Clara D. Turner, Butler, Ala., in place of L. E. Tutt, retired.

ARIZONA

Frances A. Johnson, Parker, Ariz., in place of J. B. Roberts, retired.

ARKANSAS

Irlowain E. Roepe, Lakeview, Ark., in place of W. R. Jennings, declined.

CALIFORNIA

Howard C. Denton, Los Altos, Calif., in place of H. C. Denton, retired.

CONNECTICUT

Donald L. Cummings, Vernon, Conn., in place of F. L. Foley, resigned.

IDAHO

Charles J. Orr, Hazelton, Idaho, in place of J. H. Christopherson, transferred.

ILLINOIS

Charles H. Gunier, Sheridan, Ill., in place of M. L. Abbott, retired.

INDIANA

John D. Wade, Jonesboro, Ind., in place of O. E. Monahan, deceased.

IOWA

Wilfred L. Cline, Menlo, Iowa, in place of W. C. Messinger, transferred.

Delbert W. DeHaan, Orange City, Iowa, in place of E. G. DeJong, retired.

LOUISIANA

Theodore H. Bolton, Anacoco, La., in place of T. J. Franklin, retired.

Raymond C. Couvillion, Melville, La., in place of R. L. Wyble, retired.

MAINE

Beatrice N. Bagley, Grand Lake Stream, Maine, in place of P. B. Hoar, retired.

MARYLAND

Charles C. Gray, Deale, Md., in place of J. P. Allison, resigned.

Nona E. Geisler, Woodstock, Md., in place of L. E. Noll, retired.

MINNESOTA

Edward S. Walters, Willow River, Minn., in place of E. M. Wilson, retired.

Armin R. Steinhaus, Winthrop, Minn., in place of H. B. Anderson, deceased.

MISSOURI

Gerald E. Fielder, Winfield, Mo., in place of F. E. Birkhead, deceased.

NEBRASKA

Theodore I. Larsen, Exeter, Nebr., in place of F. M. Leibee, retired.

NEVADA

Lester E. Mills, Logandale, Nev., in place of Gaylie Truman, deceased.

NEW HAMPSHIRE

Ralph J. Lavallee, Goffstown, N.H., in place of L. H. Watt, deceased.

NEW JERSEY

John J. McLaughlin, Jr., Orange, N.J., in place of B. M. Degnan, retired.

NEW YORK

Evelyn F. Kurtz, Henderson Harbor, N.Y., in place of E. D. Hughes, retired.

Henry A. Walter, Loch Sheldrake, N.Y., in place of D. M. Rexford, retired.

Mary E. Cawley, Witherbee, N.Y., in place of Mary Gallagher, retired.

NORTH CAROLINA

Raymond G. Gaylor, Ayden, N.C., in place of W. C. Ormond, retired.

Gerald B. Gibson, Pine Hall, N.C., in place of T. D. Preston, retired.

OHIO

Harry R. Kimball, Jr., Green Springs, Ohio, in place of J. D. Reed, retired.

Thomas W. Feldman, Minster, Ohio, in place of R. H. Brinkman, retired.

Robert D. Maidlow, Prospect, Ohio, in place of G. I. Lauer, retired.

OKLAHOMA

Albert L. Rogers, Canute, Okla., in place of F. J. Kamphaus, deceased.

OREGON

George A. Hansen, Halfway, Oreg., in place of M. W. Moseley, retired.

William C. Green, Oregon City, Oreg., in place of L. L. McFarlane, retired.

PENNSYLVANIA

John J. Buggey, Brockway, Pa., in place of Mary Brumbaugh, retired.

Charles W. Burns, Chicora, Pa., in place of S. A. Waltman, retired.

A. Valadia Mackereth, Mendenhall, Pa., in place of M. H. Swayne, retired.

Paul C. Brasch, North Wales, Pa., in place of C. R. Hankin, retired.

Matthew T. Chubski, South Fork, Pa., in place of J. R. Dolan, deceased.

SOUTH CAROLINA

Walter A. Clark, Vance, S.C., in place of E. A. Gelzer, deceased.

SOUTH DAKOTA

James W. Preston, Hermosa, S. Dak., in place of M. J. Cannon, retired.

TENNESSEE

Lyle P. Varnell, Adamsville, Tenn., in place of J. E. Malone, retired.

Grover B. Tucker, Tracy City, Tenn., in place of C. E. Kilgore, retired.

TEXAS

Nina F. Ruby, Pollok, Tex., in place of R. R. Sanders, retired.

WASHINGTON

Charles S. Shepard, Cheney, Wash., in place of M. S. Jones, retired.

WISCONSIN

Robert J. Kane, Cassville, Wis., in place of R. E. Dietrich, transferred.

Clarence E. Sandberg, Clear Lake, Wis., in place of N. H. Lenselink, deceased.

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 8, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used these words of Scriptures: Isaiah 55: 6: *Seek ye the Lord while He may be found, call ye upon Him while He is near.*

Eternal God, in whose fellowship we have health, holiness, and happiness, by whose mercy we have life and by whose grace we have hope, we beseech Thee to cleanse the thoughts of our minds by the indwelling of Thy spirit.

Kindle within us a flame of pure aspiration to consume our baser passions and a light to shine upon our way to dispel all darkness.

Fill our minds with wisdom and understanding, our hearts with loving kindness and sympathy, and may our hands be extended in helpfulness toward the needy and give us the courage and fidelity to follow the ways of Thy spirit.

Hasten the coming day when our fellowship with all humanity shall be more spiritualized and we shall strive to be known for our service and good will toward all men.

Grant that we may lay hold of our daily duties and responsibilities unafraid for we know that we are being led by Thy spirit, who is too wise to err and that Thou wilt not betray the faith and love of those who put their trust in Thee.

Hear us in Christ's name. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

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

H.R. 3039. An act to amend section 1006 of title 37, United States Code, to authorize the Secretary concerned, under certain conditions, to make payment of pay and allowances to members of an armed force under his jurisdiction before the end of the pay period for which such payment is due;

H.R. 6431. An act to amend the Tariff Act of 1930 to provide that certain forms of nickel be admitted free of duty; and

H.R. 8333. An act to amend title 10, United States Code, to provide for the establishment of a program of cash awards for suggestions, inventions, or scientific achievements by members of the armed forces which contribute to the efficiency, economy, or other improvement of Government operations.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10586) entitled "An act making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. HILL, Mr. HOLLAND, Mr. HAYDEN, Mr. RUSSELL of Georgia, Mr. YOUNG of North Dakota, Mr. SALTONSTALL, and Mr. COTTON to be the conferees on the part of the Senate.

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

S. 906. An act to provide for the measurement of the gross and the net tonnage for certain vessels having two or more decks, and for other purposes;

S. 1674. An act to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources, and for other purposes;

S. 1935. An act to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Polish Claims Agreement of July 16, 1960, and for other purposes; and

S. 2064. An act to amend the International Claims Settlement Act of 1949, as amended, relative to the return of certain alien property interests.

SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, FISCAL YEAR 1966

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 10586, making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes, with the Senate amendments thereto, disagree to the amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island [Mr. FOGARTY]? The Chair hears none, and appoints the following conferees: Messrs. FOGARTY, DENTON, FLOOD, MAHON, LAIRD, MICHEL, and BOW.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H.R. 10586.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. HOWARD. Mr. Speaker, yesterday on rollcall No. 265 on the bill to appropriate funds for the President's Crime Commission, I was unavoidably detained at hearings of the Subcommittee on Roads of the Committee on Public Works. If I had been able to be present, I would have voted "yea."

SUBCOMMITTEE ON ELECTIONS—COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit during general debate today.

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

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

JOANNE MARIE EVANS

The Clerk called the bill (H.R. 3103) for the relief of Joanne Marie Evans.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Joanne Marie Evans, the minor child of Sergeant and Mrs. Roderick F. Evans, United States Army, of Governor's Island, New York, the sum of $120,898.50 in full settlement of all claims including medical expenses against the United States arising out of the permanent loss of normal function and use of the right leg and foot of Joanne Marie Evans resulting from an injury to her sciatic nerve caused by an injection of an antibiotic on October 1, 1958, by a nurse at the Patterson Army Hospital, Fort Monmouth, New Jersey. Suit on this claim

may not be instituted under the tort claims procedure provided in title 28, United States Code, because of a decision in favor of the United States in a suit on this claim brought under such tort claims procedure. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike "$120,898.50" and insert "$60,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS ADLER

The Clerk called the bill (H.R. 1821) for the relief of Louis Adler.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL and Mr. GROSS objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

BENJAMIN A. RAMELB

The Clerk called the bill (S. 149) for the relief of Benjamin A. Ramelb.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

LT. COL. WILLIAM T. SCHUSTER, U.S. AIR FORCE (RETIRED)

The Clerk called the bill (S. 919) for the relief of Lt. Col. William T. Schuster, U.S. Air Force, retired.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

JAMES P. BRADLEY

The Clerk called the bill (H.R. 5121) for the relief of James P. Bradley.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

RIFKIN TEXTILES CORP.

The Clerk called the bill (H.R. 8646) for the relief of Rifkin Textiles Corp.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the time limitation prescribed by section 520 of the Tariff Act of 1930 (19 U.S.C. 1520) or any other statute of limitation, the consumption entries made on behalf of Rifkin Textiles Corporation of New York, New York, and set out in subsection (b), may be reliquidated in accordance with the law applicable as of the date such entries were made and refund of duties may be made in accordance with such reliquidation if application for such reliquidation is made within one year after the date of enactment of this Act.

(b) The consumption entries referred to in subsection (a) and the date on which each such entry was liquidated are as follows:

Consumption entry:	*Date of liquidation*
703863	December 3, 1962
703862	December 3, 1962
703861	December 3, 1962
710358	November 26, 1962
737255	December 3, 1962
717256	December 3, 1962
717258	December 3, 1962
716333	December 3, 1962
720089	December 10, 1962
709287	November 30, 1962

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMILIA MAJKA

The Clerk called the bill (H.R. 3669) for the relief of Emilia Majka.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Emilia Majka, the widow of a United States citizen, shall be deemed to be within the purview of section 101(a)(27)(A) of the Immigration and Nationality Act, and the provisions of section 205 of that Act shall be inapplicable in her case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. FELIPE V. LAVAPIES

The Clerk called the bill (H.R. 7357) for the relief of Dr. Felipe V. Lavapies.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Felipe V. Lavapies shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORTH COUNTIES HYDRO-ELECTRIC CO.

The Clerk called the bill (H.R. 10097) for the relief of North Counties Hydro-electric Co.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

ESTATE OF ROBERT A. ETHRIDGE

The Clerk called the bill (H.R. 5530) for the relief of the estate of Robert A. Ethridge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Robert A. Ethridge, late of Macon, Georgia, the sum of $2,064.07 in full settlement of the claims of such estate against the United States arising out of nonpayment, by reason of lapse of time, of certain United States postal money orders dated before 1944 and held by said Robert A. Ethridge at the time of his death. No part of the amount appropriated in this Act in excess of 20 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment.

Page 1, line 10, after "death." insert the following language: "payment of the amount authorized by this Act shall be conditioned upon a surrender of the money orders which are the basis of the claims discharged thereby."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSE L. RODRIGUEZ

The Clerk called the bill (S. 440) for the relief of Jose L. Rodriguez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jose L. Rodriguez shall be held and considered to have retained his priority on the quota waiting list as of March 24, 1952, the date on which he first registered as an intending immigrant.

The bill was ordered to be read a third time, was read the third time, and passed,

and a motion to reconsider was laid on the table.

WILLIAM JOHN CAMPBELL McCAUGHEY

The Clerk called the bill (S. 450) for the relief of William John Campbell McCaughey.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

LEE HYANG NA

The Clerk called the bill (S. 454) for the relief of Lee Hyang Na.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Lee Hyang Na may be classified as an eligible orphan within the meaning of section 101(b)(1)(F), and a petition may be filed in behalf of the said Lee Hyang Na by Mr. and Mrs. George O. Gregerson, citizens of the United States, pursuant to section 205(b) of the Immigration and Nationality Act, subject to all the conditions in that section relating to eligible orphans. Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN WILLIAM DAUGHERTY, JR.

The Clerk called the bill (S. 517) for the relief of John William Daugherty, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of secton 212(a)(1) of the Immigration and Nationality Act, John William Daugherty, Junior, may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That if the said John William Daugherty, Junior, is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA GIOCONDA FEMIA

The Clerk called the bill (S. 521) for the relief of Maria Gioconda Femia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Maria Gioconda Femia shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 13, 1946.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. SEDAT M. AYATA

The Clerk called the bill (S. 573) for the relief of Dr. Sedat M. Ayata.

There being no objection, the Clerk read the bill, as follows:

S. 573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Dr. Sedat M. Ayata shall be held and considered to be lawfully admitted to the United States for permanent residence as of October 1, 1958.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARIA EDUVIGIS ARAN HEFFERNAN

The Clerk called the bill (H.R. 1393) for the relief of Mrs. Maria Eduvigis Aran Heffernan.

There being no objection, the Clerk read the bill, as follows:

H.R. 1393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Maria Eduvigis Aran Heffernan, the widow of a United States citizen, shall be deemed to be within the purview of section 101(a)(27)(A) of the Immigration and Nationality Act, and the provisions of section 205 of that Act shall not be applicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGELICA ANAGNOSTOPOULOS

The Clerk called the bill (H.R. 4194) for the relief of Angelica Anagnostopoulos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Angelica Anagnostopoulos may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of that Act, and a petition filed in her behalf by Mrs. Audrey T. Sanner, a citizen of the United States, may be approved pursuant to section 205(b) of that Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MUHAMMAD SARWAR

The Clerk called the bill (H.R. 4995) for the relief of Muhammad Sarwar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Muhammad Sarwar shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARENCE EARLE DAVIS

The Clerk called the bill (H.R. 9521) for the relief of Clarence Earle Davis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Clarence Earle Davis may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Clarence and Gladys Davis, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SANTA GIAMMALVA

The Clerk called the bill (H.R. 9991) for the relief of Santa Giammalva.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond which may have issued in the case of Santa Giammalva. From and after the date of the enactment of this Act, the said Santa Giammalva shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA MARIA HEILAND

The Clerk called the bill (S. 76) for the relief of Anna Maria Heiland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (3) of section 212(a) of the Immigration and Nationality Act, Anna Maria Heiland may be issued an immigrant visa and admitted to the United States for permanent resident if she is found to be otherwise admissible under the provision of such Act: *Provided,* That if the said Anna Maria Heiland is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act. This section shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH KAM OI HU

The Clerk called the bill (S. 135) for the relief of Elizabeth Kam Oi Hu.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Elizabeth Kam Oi Hu, who lost United States citizenship under the provisions of paragraph (5), subsection (a) of section 349 of the Immigration and Nationality Act, may be naturalized by taking, prior to one year after the date of the enactment of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such act. From and after naturalization under this Act, the said Elizabeth Kam Oi Hu shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGEL LAGMAY

The Clerk called the bill (S. 136) for the relief of Angel Lagmay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Angel Lagmay may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act, and a petition may be filed by Cornelio Lagmay, a citizen of the United States, in behalf of the said Angel Lagmay, pursuant to section 205(b) of the Immigration and Nationality Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA LIBERTY BURNETT

The Clerk called the bill (S. 192) for the relief of Maria Liberty Burnett.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Maria Liberty Burnett may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, and a petition may be filed in behalf of the said Maria Liberty Burnett by Donald M. Burnett, a citizen of the United States, pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MING CHUP CHAU

The Clerk called the bill (S. 584) for the relief of Ming Chup Chau.

There being no objection, the Clerk read the bill, as follows:

S. 584

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 101(b)(1)(E) of the Immigration and Nationality Act, Ming Chup Chau shall be held and considered to be under twenty-one years of age.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA TSILIS

The Clerk called the bill (S. 586) for the relief of Maria Tsilis.

There being no objection, the Clerk read the bill as follows:

S. 586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationaltiy Act, Maria Tsilis shall be deemed to be within the purview of section 101(b)(1)(E) of that Act, and she shall be considered eligible for first preference quota status under section 203(a)(1) of the said Act as one following to join her adoptive parents, Mr. and Mrs. Stavros Manthos Tsilis, and shall be accorded the same priority in the issuance of the visa as that accorded her adoptive parents: *Provided,* That the said Maria Tsilis shall enter the United States within one year following the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVANGELIA MOSHOU KANTAS

The Clerk called the bill (S. 614) for the relief of Evangelia Moshou Kantas.

There being no objection, the Clerk read the bill, as follows:

S. 614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Evangelia Moshou Kantas may be classified as an eligible orphan within the meaning of section 101(b)(F) of the said Act and a petition may be filed by Mr. and Mrs. Jerry Kantas, citizens of the United States, in behalf of the said Evangelia Moshou Kantas pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE PALURAS (GEORGIOS PALOURAS)

The Clerk called the bill (S. 653) for the relief of George Paluras (Georgios Palouras).

There being no objection, the Clerk read the bill, as follows:

S. 653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, George Paluras (Georgios Palouras) may be classified as an eligible orphan within the meaning of section 101(b)(F), and a petition may be filed in behalf of the said George Paluras (Georgios Palouras) by Mr. Philip Paluras, a citizen of the United States, pursuant to section 205(b) of the Immigration and Nationality Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid in the table.

KIMIE OKAMOTO ADDINGTON

The Clerk called the bill (S. 703) for the relief of Kimie Okamoto Addington.

There being no objection, the Clerk read the bill, as follows:

S. 703

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kimie Okamoto Addington may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Charles and Mildred Addington, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHA MI HI

The Clerk called the bill (S. 828) for the relief of Cha Mi Hi.

There being no objection, the Clerk read the bill, as follows:

S. 828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the

administration of the Immigration and Nationality Act, section 205(c), relating to the number of petitions which may be approved in behalf of eligible orphans, shall be inapplicable in the case of a petition filed in behalf of Cha Mi Hi by Mr. and Mrs. Anthony Caucutt, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALVA ARLINGTON GARNES

The Clerk called the bill (S. 861) for the relief of Alva Arlington Garnes.

There being no objection, the Clerk read the bill, as follows:

S. 861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Alva Arlington Garnes, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Cecil Edgar Taitt, citizens of the United States: *Provided,* That no natural parent of the beneficiary, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELENA B. GUIRA

The Clerk called the bill (S. 971) for the relief of Mrs. Elena B. Guira.

There being no objection, the Clerk read the bill, as follows:

S. 971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Elena B. Guira, who lost United States citizenship under the provisions of section 349(a)(5) of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Mrs. Elena B. Guira shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Dr. OTTO F. KERNBERG

The Clerk called the bill (S. 1012) for the relief of Otto F. Kernberg.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

SPECIALIST MANUEL D. RACELIS

The Clerk called the bill (S. 1209) for the relief of Specialist Manuel D. Racelis.

There being no objection, the Clerk read the bill, as follows:

S. 1209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Specialist Manuel D. Racelis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIM SA SUK

The Clerk called the bill (S. 879) for the relief of Kim Sa Suk.

There being no objection, the Clerk read the bill, as follows:

S. 879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, section 205(c), relating to the number of petitions which may be approved in behalf of eligible orphans, shall be inapplicable in the case of a petition filed in behalf of Kim Sa Suk by Mr. and Mrs. Joseph Caperna, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIRHAN GAZARIAN

The Clerk called the bill (S. 1104) for the relief of Mirhan Gazarian.

There being no objection, the Clerk read the bill, as follows:

S. 1104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Act of October 23, 1962 (Public Law 87-855), Mirhan Gazarian shall be deemed to be within the purview of section 1 of that Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mirhan Gazarian. From and after the date of the enactment of this Act, the said Mirhan Gazarian shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POLA BODENSTEIN

The Clerk called the bill (S. 1111) for the relief of Pola Bodenstein.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

CHUNG J. CLARK

The Clerk called the bill (S. 1170) for the relief of Chung J. Clark.

There being no objection, the Clerk read the bill, as follows:

S. 1170

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Chung J. Clark, the widow of a United States citizen who served honorably in the Armed Forces of the United States, shall be held and considered to be within the purview of section 101(a)(27)(A) of that Act and the provisions of section 205 of that Act shall not be applicable in this case.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KRIS ANN LARSEN

The Clerk called the bill (S. 1186) for the relief of Kris Ann Larsen.

There being no objection, the Clerk read the bill, as follows:

S. 1186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Kris Ann Larsen may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mrs. Margaret A. Larsen, a citizen of the United States, in behalf of the said Kris Ann Larsen pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTANTINUS AGGANIS

The Clerk called the bill (H.R. 1836) for the relief of Constantinus Agganis.

There being no objection, the Clerk read the bill, as follows:

H.R. 1836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Constantinus Agganis, who lost United States

citizenship under the provisions of section 349(a)(5) of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Constantinus Agganis shall have the same citizenship status as that which existed immediately prior to its loss.

With the following committee amendments:

On page 1, line 3, strike out the name "Constantinus Agganis" and insert in lieu thereof the name "Constantinos Agganis".

On page 1, line 11, strike out the name "Constantinus Agganis" and insert in lieu thereof the name "Constantinos Agganis".

The committee amendments were agreed to.

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

The title was amended so as to read: "For the relief of Constantinos Agganis."

A motion to reconsider was laid on the table.

ELIGIO CIARDIELLO

The Clerk called the bill (H.R. 1918) for the relief of Eligio Ciardiello.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

KOCK KONG FONG

The Clerk called the bill (H.R. 2752) for the relief of Kock Kong Fong.

There being no objection, the Clerk read the bill, as follows:

H.R. 2752

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Kock Kong Fong shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 30, 1958, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LILY NING SHEEHAN

The Clerk called the bill (H.R. 2906) for the relief of Mrs. Lily Ning Sheehan.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Lily Ning Sheehan, the widow of a United States citizen, shall be deemed to be within the purview of section 101(a)(27)(A) of the Immigration and Nationality Act, and the provisions of section 205 of that Act shall not be applicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YESTER ARPACIOGLUGIL

The Clerk called the bill (H.R. 3082) for the relief of Yester Arpacioglugil.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Yester Arpacioglugil shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Yester Arpacioglugil. From and after the date of the enactment of this Act, the said Yester Arpacioglugil shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HWANG TAI SHIK

The Clerk called the bill (H.R. 3288) for the relief of Hwang Tai Shik.

There being no objection, the Clerk read the bill, as follows:

H.R. 3288

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Hwang Tai Shik may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Loyd James Elroy Romo and Freda Lorene Romo, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans. Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY ANN HARTMANN

The Clerk called the bill (H.R. 3515) for the relief of Mary Ann Hartmann.

There being no objection, the Clerk read the bill, as follows:

H.R. 3515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Mary Ann Hartmann may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Sandra C. and Thomas R. Hartmann, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIM SUN HO

The Clerk called the bill (H.R. 6229) for the relief of Kim Sun Ho.

There being no objection, the Clerk read the bill, as follows:

H.R. 6229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kim Sun Ho may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Lloyd E. Tazuk, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHUN SOO KIM

The Clerk called the bill (H.R. 6235) for the relief of Chun Soo Kim.

There being no objection, the Clerk read the bill, as follows:

H.R. 6235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Chun Soo Kim may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Cliff E. and Virginia May Everett, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

MRS. ELENA VASSILIOU

The Clerk called the bill (H.R. 7084) for the relief of Mrs. Elena Vassiliou.

There being no objection, the Clerk read the bill, as follows:

H.R. 7084

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Elena Vassiliou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of States shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after enacting clause and insert in lieu thereof the following:

"That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Elena Vassiliou. From and after the date of the enactment of this Act, the said Mrs. Elena Vassiliou shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIFER ELLEN JOHNSON MOJDARA

The Clerk called the bill (H.R. 7345) for the relief of Jennifer Ellen Johnson Mojdara.

There being no objection, the Clerk read the bill, as follows:

H.R. 7345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time Jennifer Ellen Johnson Mojdara, daughter of Ambassador U. Alexis Johnson and Mrs. Patricia Ann Johnson, was residing abroad with her parents, during her minority, when her father was serving abroad as a career Foreign Service officer of the United States, shall be held and considered to be compliance with the physical-presence requirement of section 301(a)(7) of the Immigration and Nationality Act, as amended.

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bill S. 1736, an identical bill to H.R. 7345, and for immediate consideration of the Senate bill.

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

There being no objection, the Clerk read the Senate bill, as follows:

S. 1736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time Jennifer Ellen Johnson Mojdara, daughter of Ambassador U. Alexis Johnson and Mrs. Patricia Ann Johnson, was residing abroad with her parents, during her minority, when her father was serving abroad as a career Foreign Service officer of the United States, shall be held and considered to be compliance with the physical-presence requirement of section 301(a)(7) of the Immigration and Nationality Act, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7345) was laid on the table.

MARGARET ELIZABETH AND FREDERICK HENRY TODD

The Clerk called the bill (H.R. 7453) for the relief of Margaret Elizabeth and Frederick Henry Todd.

There being no objection, the Clerk read the bill, as follows:

H.R. 7453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Margaret Elizabeth and Frederick Henry Todd shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, for the purposes of the Immigration and Nationality Act, Margaret Elizabeth Todd and Frederick Henry Todd shall be held and considered to have complied with the provisions of section 316 of that Act as they relate to residence and physical presence."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAFFAELLA ACHILLI

The Clerk called the bill (H.R. 9526) for the relief of Raffaella Achilli.

There being no objection, the Clerk read the bill, as follows:

H.R. 9526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Raffaella Achilli may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of that Act, upon approval of petitions filed in her behalf by Mr. and Mrs. Armando Loretucci, citizens of the United States, pursuant to section 205(b) of that Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIO MENNA

The Clerk called the bill (H.R. 6312) for the relief of Mario Menna.

There being no objection, the Clerk read the bill, as follows:

H.R. 6312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mario Menna shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

AMENDMENT OFFERED BY MR. FEIGHAN

Mr. FEIGHAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: Strike out all after the enacting clause and insert the following:

"That, in the administration of the immigration laws, Mario Menna shall be deemed to be within the purview of section 1 of the act of October 24, 1962 (76 Stat. 1247)."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA ALEXANDROS SIAGRIS

The Clerk called the bill (H.R. 2757) for the relief of Maria Alexandros Siagris.

There being no objection, the Clerk read the bill, as follows:

H.R. 2757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Maria Alexandros Siagris may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of that Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Alexandros Siagris, citizens of the United States, pursuant to section 205(b) of that Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANLIO MASSIMILIANI

The Clerk called the bill (H.R. 2762) for the relief of Manlio Massimiliani.

There being no objection, the Clerk read the bill, as follows:

H.R. 2762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Manlio Massimiliani, who lost United States citizenship under the provisions of section 349(a)(5) of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Manlio Massimiliani shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIM JAI SUNG

The Clerk called the bill (H.R. 2933) for the relief of Kim Jai Sung.

There being no objection, the Clerk read the bill, as follows:

H.R. 2933

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kim Jai Sung may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Roy D. Holland, citizens of the United States, pursuant to section 205(b) of the Act, subject to all conditions in that section relating to eligible orphans. Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRZEMYSLAW MARIANSKI

The Clerk called the bill (H.R. 2938) for the relief of Przemyslaw Marianski.

There being no objection, the Clerk read the bill, as follows:

H.R. 2938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Przemyslaw Marianski may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Harry Nowakowski, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

With the following committee amendments:

On page 1, line 4, strike out the name "Przemyslaw Marianski" and insert in lieu thereof the name "Przemyslaw Nowakowski".

On page 1, line 7, strike out the word "citizens" and substitute the words "a citizen and lawfully resident alien".

On page 1, line 8, after "United States," insert the word "respectively,".

The committee amendments were agreed to.

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

The title was amended to read: "A bill for the relief of Przemyslaw Nowakowski."

A motion to reconsider was laid on the table.

MANOJLO VRZICH

The Clerk called the bill (H.R. 2939) for the relief of Manojlo Vrzich.

There being no objection, the Clerk read the bill, as follows:

H.R. 2939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Manojlo Vrzich, shall be held and considered to be the natural born alien child of Mr. and Mrs. Marko Versich, citizens of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, in the administration of the Immigration and Nationality Act, Manojlo Verzich may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Marko Verzich, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Manojlo Verzich." A motion to reconsider was laid on the table.

MAXIE L. RUPERT

The Clerk called the bill (H.R. 2578) for the relief of Maxie L. Rupert.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

CHARLES N. LEGARDE AND HIS WIFE

The Clerk called the bill (S. 853) for the relief of Charles N. Legarde and his wife, Beatrice E. Legarde.

There being no objection, the Clerk read the bill, as follows:

S. 853

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles N. Legarde and his wife, Beatrice E. Legarde, of New Bedford, Massachusetts, the sum of $30,573.67 in full satisfaction of all claims against the United States of the said Charles N. Legarde and Beatrice E. Legarde for compensation for injuries sustained by them arising out of an automobile accident on September 2, 1961, caused by a United States Coast Guard truck operated by a member of the United States Coast Guard: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLARA W. DOLLAR

The Clerk called the bill (S. 1873) for the relief of Mrs. Clara W. Dollar.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

LOUIS W. HANN

The Clerk called the bill (H.R. 1409) for the relief of Louis W. Hann.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

FRANK SIMMS

The Clerk called the bill (H. R. 2557) for the relief of Frank Simms.

There being no objection, the Clerk read the bill, as follows:

H.R. 2557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Frank Simms of North Chicago, Illinois, is relieved of liability to pay to the United States the sum of $349.80, representing the aggregate amount of overpayments of compensation made to him by the Department of the Navy (during the period beginning May 13, 1962, and ending September 26, 1964) as a result of an administrative error in the adjustment of his pay rate. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount for which liability is relieved by this Act.

With the following committee amendment:

Page 1 after line 12, add the following:

"SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank Simms, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR HILL

The Clerk called the bill (H.R. 6590) for the relief of Arthur Hill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ROBERT G. MIKULECKY

The Clerk called the bill (H.R. 8457) for the relief of Robert G. Mikulecky.

There being no objection, the Clerk read the bill, as follows:

H.R. 8457

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John I. Gondek the sum of $150 in full settlement of all claims against the United States and against Robert G. Mikulecky arising out of an accident which occurred in Chicago, Illinois, on October 26, 1959, when said Robert G. Mikulecky was operating a Government motor vehicle in the course of his duties as an employee of the United States Post Office Department and in full satisfaction of the judgment and costs entered against the said Robert G. Mikulecky in civil action numbered 64C988 in the United States District Court for the Northern District of Illinois, based upon said accident. No part of the amount appropriated in this Act in excess of 20 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike "I." and insert "E.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH B. STEVENS

The Clerk called the bill (H.R. 10338) for the relief of Joseph B. Stevens.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

SHU HSIEN CHANG

The Clerk called the bill (S. 1084) for the relief of Shu Hsien Chang.

There being no objection, the Clerk read the bill, as follows:

S. 1084

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Shu Hsien Chang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 7, 1950.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAURA MACARTHUR GODITIABOIS-DEACON

The Clerk called the bill (S. 1919) for the relief of Laura MacArthur Goditiabois-Deacon.

There being no objection, the Clerk read the bill, as follows:

S. 1919

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time Laura MacArthur Goditiabois-Deacon, daughter of Ambassador Douglas MacArthur and Mrs. Laura Louise MacArthur, was residing abroad with her parents, during her minority, when her father was serving abroad as a career Foreign Service officer of the United States, shall be held and considered to be compliance with the physical-presence requirement of section 301(a)(7) of the Immigration and Nationality Act, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXANDER PORZSE

The Clerk called the bill (H.R. 1931) for the relief of Alexander Porzse.

There being no objection, the Clerk read the bill, as follows:

H.R. 1931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Alexander Porzse shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EFSTAHIA GIANNOS

The Clerk called the bill (H.R. 2926) for the relief of Efstahia Giannos.

There being no objection, the Clerk read the bill, as follows:

H.R. 2926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Efstahia Giannos, shall be held and considered to be the natural-born alien child of Theodore Giannos, a citizen of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, in the administration of the Immigration and Nationality Act, Efstahia Giannos may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in her behalf by Mr. Theodore Giannos, a citizen of the United States, may be approved pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SON CHUNG JA

The Clerk called the bill (H.R. 3062) for the relief of Son Chung Ja.

There being no objection, the Clerk read the bill, as follows:

H.R. 3062

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Son Chung Ja may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition in her behalf by Mr. and Mrs. James H. Clark, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELENI BACOLA CIACCO, DOCTOR OF MEDICINE

The Clerk called the bill (H.R. 3079) for the relief of Mrs. Eleni Bacola Ciacco, doctor of medicine.

There being no objection, the Clerk read the bill, as follows:

H.R. 3079

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Eleni Bacola Ciacco, doctor of medicine, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of December 19, 1957.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS ROSA BASILE DESANTIS

The Clerk called the bill (H.R. 3765) for the relief of Miss Rosa Basile DeSantis.

There being no objection, the Clerk read the bill, as follows:

H.R. 3765

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Miss Rosa Basile DeSantis may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in her behalf by Santa DeSantis, a citizen of the United States, may be approved pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARIA FINOCCHIARO

The Clerk called the bill (H.R. 4211) for the relief of Mrs. Maria Finocchiaro.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MICHAEL HADJICHRISTOFAS, APHRODITE HADJICHRISTOFAS, AND PANIOTE HADJICHRISTOFAS

The Clerk called the bill (H.R. 4464) for the relief of Michael Hadjichristofas, Aphrodite Hadjichristofas, and Paniote Hadjichristofas.

There being no objection, the Clerk read the bill, as follows:

H.R. 4464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Michael Hadjichristofas and Aphrodite Hadjichristofas may be classified as eligible orphans within the meaning of section 101(b)(1)(F) of the Act, upon approval of petitions filed in their behalf by Mr. and Mrs. Edward J. Terzian, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

SEC. 2. For the purposes of sections 203(a)(2) and 205 of the Immigration and Nationality Act, Panote Hadjichristofas shall be held and considered to be the natural-born alien son of Mr. and Mrs. Edward J. Terzian, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 3. Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in these cases.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ENZO (ENZIO) PEROTTI

The Clerk called the bill (H.R. 4926) for the relief of Enzo (Enzio) Perotti.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

CHIZUYO HOSHIZAKI

The Clerk called the bill (H.R. 4928) for the relief of Chizuyo Hoshizaki.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

DIOSDADO F. ALMAZAN

The Clerk called the bill (H.R. 5006) for the relief of Diosdado F. Almazan.

There being no objection, the Clerk read the bill, as follows:

H.R. 5006

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Diosdado F. Almazan, who lost United States citizenship under the provisions of section 401(e) of the Nationality Act of 1940, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the Diosdado F. Almazan shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA DEL ROSARIO DE FATIMA LOPEZ HAYES

The Clerk called the bill (H.R. 5457) for the relief of Maria del Rosario de Fatima Lopez Hayes.

There being no objection, the Clerk read the bill, as follows:

H.R. 5457

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Maria del Rosario del Fatima Lopez Hayes, shall be held and considered to be the natural-born alien child of Mary E. Hayes, citizen of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, in the administration of the Immigration and Nationality Act, Maria del Rosario de Fatima Lopez Hayes may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in her behalf by Mary E. Hayes, a citizen of the United States, may be approved pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY FRANCIS CRABBS (KOH, MI SOOK)

The Clerk called the bill (H.R. 5554) for the relief of Mary Francis Crabbs (Koh, Mi Sook).

There being no objection, the Clerk read the bill, as follows:

H.R. 5554

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Mary Francis Crabbs (Koh, Mi Sook) may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Reverend and Mrs. Robert Crabbs, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans. Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

Amend the title so as to read: "A bill for the relief of Mary Frances Crabbs."

With the following committee amendment:

Page 1, line 4, strike out the names "Mary Francis Crabbs (Koh, Mi Sook)" and insert the name "Mary Frances Crabbs".

The committee amendment was agreed to.

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

The title was amended to read as follows: "A bill for the relief of Mary Frances Crabbs."

A motion to reconsider was laid on the table.

NAM IE KIM

The Clerk called the bill (H.R. 5904) for the relief of Nam Ie Kim.

There being no objection, the Clerk read the bill, as follows:

H.R. 5904

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Nam Ie Kim may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Harris Crogh, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. ORHAN METIN OZMAT

The Clerk called the bill (H.R. 6819) for the relief of Dr. Orhan Metin Ozmat.

There being no objection, the Clerk read the bill, as follows:

H.R. 6819

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the periods of time Doctor Orhan Metin Ozmat has resided in the United States since his lawful admission for permanent residence on September 6, 1963, shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, for the purposes of the Immigration and Nationality Act, Doctor Orhan Metin Ozmat shall be held and considered to have complied with the requirements of section 316 of the Act as they relate to residence and physical presence."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES D. W. BLYTH, HIS WIFE, JEAN MARY BLYTH, AND THEIR DAUGHTER, PENELOPE JEAN BLYTH

The Clerk called the bill (H.R. 10256) for the relief of James D. W. Blyth, his wife, Jean Mary Blyth, and their daughter, Penelope Jean Blyth.

There being no objection, the Clerk read the bill, as follows:

H.R. 10256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, James D. W. Blyth, his wife, Jean Mary Blyth, and their daughter, Penelope Jean Blyth, shall be held and considered to have complied with the requirements of section 316 of the Act as they relate to residence and physical presence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROSAURO L. LINDOGAN

The Clerk called the bill (S. 137) for the relief of Rosauro L. Lindogan.

There being no objection, the Clerk read the bill, as follows:

S. 137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Rosauro L. Lindogan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence of such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

On page 1, at the end of the bill, add a new section 2 to read as follows:

SEC. 2. In the administration of the Immigration and Nationality Act, Chester (Abramczyk) Hill may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Gilbert L. Hill, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

The committee amendment was agreed to.

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

The title was amended to read as follows: "A bill for the relief of Rosauro L. Lindogan and Chester (Abramczyk) Hill."

A motion to reconsider was laid on the table.

JOSEPH J. McDEVITT

The Clerk called the bill (H.R. 1311) for the relief of Joseph J. McDevitt.

There being no objection, the Clerk read the bill, as follows:

H.R. 1311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph J. McDevitt, of Philadelphia, the sum of $584. The payment of such sum shall be in full settlement of his claims against the United States for reimbursement of the amount paid by him in full settlement of the judgment rendered against him on March 14, 1960, by the municipal court of Philadelphia, Pennsylvania, arising out of a vehicular accident on April 8, 1957, involving a mailtruck being operated by him as an employee of the United States Post Office Department. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 3 and 4: Strike "In excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALTON G. EDWARDS

The Clerk called the bill (H.R. 4203) for the relief of Alton G. Edwards.

There being no objection, the Clerk read the bill, as follows:

H.R. 4203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alton G. Edwards, of Orlando, Florida, the sum of $348.23. The payment of such sum shall be in full settlement of his claims against the United States for reimbursement of the amount paid by him in full settlement of the judgment rendered against him on June 20, 1963, by the Small Claims Court of Orange County, Florida, arising out of a vehicular accident on September 10, 1960, involving a mailtruck being operated by him as an employee of the United States Post Office Department. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 3 and 4: Strike "In excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH K. BELLEK

The Clerk called the bill (H.R. 5204) for the relief of Joseph K. Bellek.

There being no objection, the Clerk read the bill, as follows:

H.R. 5204

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph K. Bellek, of Roselle Park, New Jersey, the sum of $300 in full settlement of his claims against the United States for reimbursement of that amount paid by him in satisfaction of a judgment entered against him on March 12, 1959, in the Union County District Court, Union County, New Jersey, as the result of a motor vehicle collision of January 28, 1958, between a privately owned vehicle of the Mel Anne Corporation and a post office truck operated by him within the scope of his employment with the Post Office Department. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARVEY E. WARD

The Clerk called the bill (H.R. 8085) for the relief of Harvey E. Ward.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. TALCOTT]?

There was no objection.

S. SGT. ROBERT E. MARTIN, U.S. AIR FORCE (RETIRED)

The Clerk called the bill (H.R. 8829) for the relief of S. Sgt. Robert E. Martin, U.S. Air Force (retired).

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

EDWARD F. MURZYN AND EDWARD J. O'BRIEN

The Clerk called the bill (H.R. 10403) for the relief of Edward F. Murzyn and Edward J. O'Brien.

Mr. MCEWEN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

LT. COL. JAMES E. BAILEY, JR., U.S. AIR FORCE (RETIRED)

The Clerk called the bill (H.R. 10404) for the relief of Lt. Col. James E. Bailey, Jr., U.S. Air Force (retired).

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

COL. DONALD J. M. BLAKESLEE AND LT. COL. ROBERT E. WAYNE, U.S. AIR FORCE

The Clerk called the bill (H.R. 10405) for the relief of Col. Donald J. M. Blakeslee and Lt. Col. Robert E. Wayne, U.S. Air Force.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

LT. COL. PHILLIP L. VETRONE, U.S. ARMY

The Clerk called the bill (H.R. 1389) for the relief of Lt. Col. Phillip L. Vetrone, U.S. Army.

There being no objection, the Clerk read the bill as follows:

H.R. 1389

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant Colonel Phillip L. Vetrone, United States Army (Service Number O-84578), the sum of $19,430.35. The payment of such sum shall be in full settlement of his claim against the United States for his unreimbursed loss incurred by reason of the destruction on August 17, 1963, of his household goods which were stored by the United States. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike "$19,430.35" and insert "$9,372.17".

Page 2, line 2, strike "in excess of 10 percent thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LT. COL. JACK F. OREND

The Clerk called the bill (H.R. 4911) for the relief of Lt. Col. Jack F. Orend.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MRS. LONETA HACKNEY

The Clerk called the bill (H.R. 1484) for the relief of Mrs. Loneta Hackney.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

OVERPAYMENTS IN GOVERNMENT

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

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

There was no objection.

Mr. HALL. Mr. Speaker, one of the type of bills which we are called upon to consider with increasing frequency on the Private Calendar deals with the question of overpayments, military and civilian in Government, and modes of relief therefrom. From 1957 through 1961, for example, according to the Comptroller General, there were over 1 million overpayments, totalling $100 million, of which about 18 percent or $18 million could not be recovered.

Believing that some better means of accountability and responsibility should be devised for this type of loss, letters have been sent to several executive agencies and to the distinguished chairmen of the House subcommittee of the Judiciary Committee and the Armed Services Committee, which deals with these problems.

A most articulate and explanatory reply has been received from the chairman of our Subcommittee of the Judiciary, which I believe deserves the attention of the Members of the House. Probably no one has a better understanding of the problem or has exerted a greater effort to insure justice and equity under the law, while at the same time seeking to protect the Government's interest.

Because such a considerable amount of money is involved in these measures, which are usually approved with little if any discussion or debate, I believe the Members of the House will be interested both in the inquiring letter and the very detailed reply of the chairman, and under unanimous consent I insert them into the RECORD at this point:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 30, 1965.

Hon ROBERT T. ASHMORE,
Chairman, Subcommittee of Judiciary, House of Representatives, House Office Building, Washington, D.C.

MY DEAR MR. CHAIRMAN: For some time I have been concerned about overpayments

and modes of relief therefrom, whether they be to those in the military services by paymasters, based on errors and/or false information; whether they be from lack of inadequate insurance in the warehousing and transporting of goods of the military, including regulations specifying limitations on the amounts thereof; or whether it be from overpayment due to lack of knowledge on the part of the Dual Employment Act, or for other causes.

The Comptroller General, in testifying on April 24, 1963 before the House of Representatives Committee on Post Office and Civil Service's Subcommittee on Manpower and Utilization, included the following excerpt:

"Selective audits, by the GAO and the military services, of military pay allowances expenditures disclosed over 1 million overpayments to servicemen, totaling $100 million during fiscal years 1957 through 1961."

About 18 percent or $18 million of identified overpayments could not be recovered.

"We estimate that there were also about 500,000 underpayments of about $22 million during these years—"

Overpayments are a function of responsibility as well as accountability on the part of the paymaster, whereas underpayments are usually taken care of by the military personnel themselves recognizing they have been shortchanged.

Certainly no civilian or military paymaster should be relieved of responsibility if he is accountable. I believe we can all agree on this principle. Likewise, it's most difficult as these private bills come through the Congress, to believe that "GI's" of years of experience do not know when they are drawing on the wrong "fogie" or are being dually employed, or in general, are simply "overpaid."

Certainly if they are to be forgiven routinely, it would be an adjunct to the various services, and save much time in Congress, if rules and regulations were drawn up and adopted, including the necessary legislation, and if we must relieve responsibility from those that are accountable.

I would appreciate your comments as to this total situation and all facets thereof, including suggested guidance for the responsible legislative committee and/or the duly constituted "objectors" on both sides of the aisle, at the earliest practicable date.

Respectfully submitted,

DURWARD C. HALL,
H. R. GROSS,
BURT L. TALCOTT,
Members of Congress.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., September 3, 1965.

Hon. DURWARD G. HALL,
House of Representatives,
Washington, D.C.

DEAR COLLEAGUE: In your letter of August 30, 1965, you have referred to the problem of liability due to various payments to servicemen and civilian employees of the Government which are subsequently determined to have been erroneous. As you know, the Committee on the Judiciary and, in particular, its Subcommittee on Claims is required to deal with this problem on a continuing basis. Overpayments occur from a variety of situations. You have noted the case where an individual mistake is made in a pay account and I gather from your remarks that you feel that the certifying officer in such a case should be held to a greater degree of responsibility. From the cases coming before the committee, it is possible to say that in some cases, the individual employee who made the error has been held responsible but, in many instances, the error is discovered years later when this kind of determination as to who may have made the initial determination is all but impossible.

Another more difficult aspect of the so-called overpayment problem occurs when official action on the part of a department is subsequently ruled to have been improper, although, until that determination is made, it is clothed with all of the indications of legality and official sanction that would normally be given to governmental action. It is in these cases that the Congress is often faced with a request to relieve a group of individuals. During each Congress since 1959, this committee has sought to evolve a system under public law which would provide a means to review overpayment cases and provide for a waiver of liability as an alternative to congressional consideration. However, this mode of procedure has not yet been successful.

Your letter also refers to the problem of losses suffered by military and civilian personnel due to the damage and destruction of their personal property while in storage under Government contract. Here again, the committee has recommended public legislation to provide for payment for a reasonable portion of the property lost. The subcommittee has studied this situation in depth in connection with the legislation it has proposed. It is my personal opinion that the question of adequacy of insurance should be the subject of further study. It is my understanding that the insurance companies have shown no inclination to write policies which would, in effect, insure military and civilian personnel for property losses over and above that assumed by the Government. In other words, there is no policy which would provide for a deductible amount for the Government adjudication so as to provide a more reasonable premium rate for Government personnel in this situation. The committee also questions the adequacy of the warehousing facilities which are being used by the Government. The frequency of warehouse fires would seem to indicate a deficiency in this respect.

Recent amendments of the dual employment statutes give promise of a reduction in cases where an individual after years of service is informed that he must refund everything that he has earned as a civilian employee. It is my impression that personnel officers of the Government have now become more familiar with the implications of the statutes and their application to retired personnel of the military services. In many of the cases that have previously come before the committee, the individuals were advised that they could be hired under the dual employment statute after a review of the law and the court decisions, and then some years later a determination was made that the Dual Office Act barred their employment.

Your letter referred to the testimony of the Comptroller General concerning overpayments in a 1963 hearing before a subcommittee of the Post Office and Civil Service Committee. You have noted that overpayments are a function of responsibility and accountability of a disbursing or other accountable officer. The Comptroller General has been given the authority to relieve accountable officers of liability for improper or incorrect payments or loss, and for a number of years, the subcommittee has not been called upon to pass upon this type of relief.

In past years, it was necessary to have this type of liability adjusted by private bill. This authority is conferred on the General Accounting Office by sections 82a–1 and 82a–2 of title 31 of the United States Code. It is my understanding that the relief of the accountable officer does not affect the liability of the individual.

As to the individual who is subjected to liability for any one of the variety of reasons which may occur in the Federal fiscal system, the subcommittee has attempted to evolve a standard for relief which is fair both to the Government and to the individual. In this connection, the subcommittee has required that the overpayment be the result of an error on the part of the Government which was made without the knowledge of the individual concerned and without fault on his part. Further, the money must have been received in good faith on the part of that individual. Finally, it has been required that there be a showing that repayment will result in an unfair and tangible hardship to that individual. The subcommittee has, therefore, sought to condition relief upon the establishment of these objective standards.

I hope that my comments are of some assistance to you, and I am sure that the members of the subcommittee would welcome any suggestions you may have concerning the variety of problems which are brought before it in the form of requests for legislative relief.

Sincerely yours,

ROBERT T. ASHMORE,
Chairman, Subcommittee No. 2.

ANGELO IANNUZZI

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3128) for the relief of Angelo Iannuzzi, with an amendment of the Senate thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: "That, in the administration of the Immigration and Nationality Act, Angelo Iannuzzi shall be held and considered to be within the purview of section 101(b)(1)(B) of that Act.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ZENAIDA QUIJANO LAZARO

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2305) for the relief of Zenaida Quijano Lazaro, with an amendment of the Senate thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 11, after "That" insert: "if the said Zenaida Quijano Lazaro is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250),".

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FACILITATING ADMISSION OF CERTAIN ALIENS

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the joint resolution (H.J. Res. 504) to facilitate the admission into the United States of certain aliens, with amendments of the Senate thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments as follows:

Page 7, line 1, strike out all after "Naranjo," down to and including "States," in line 3 and insert: "citizens of the United States,".

Page 8, strike out all after line 10 over to and including line 2 on page 9.

Page 9, line 3, strike out "24" and insert: "22".

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

Mr. CONTE. Mr. Speaker, reserving the right to object, can the gentleman tell us what these amendments are about?

Mr. FEIGHAN. This resolution is for the relief of adopted children who were beneficiaries of individual bills in the House.

The first amendment is technical. The adoptive parent is now a U.S. citizen.

The second amendment deletes the name of Mirjana Tomas who was the subject of H.R. 5011. Her application for suspension of deportation has been referred to the Congress.

The third amendment deletes the name of Maria Stella Pezzo Calafato who was the subject of H.R. 7290 by Mr. REID of New York. The beneficiary has married and is no longer eligible for the relief provided in the resolution.

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

Mr. CONTE. I yield to the gentleman.

Mr. GROSS. These bills were not on today's calendar; were they—that is the bills that the gentleman is now asking for concurrence in these amendments?

Mr. FEIGHAN. No, they were previously passed by the House.

Mr. GROSS. I thank the gentleman.

Mr. CONTE. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit this afternoon during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 266]

Adair	Griffiths	Pirnie
Andrews, George W.	Hanna	Poage
	Hawkins	Powell
Andrews, Glenn	Hébert	Reifel
Ashbrook	Hungate	Resnick
Baring	Jones, Mo.	Rhodes, Ariz.
Blatnik	Karth	Roncalio
Bolton	Kee	Rostenkowski
Bonner	Keith	Ryan
Brademas	Kornegay	Saylor
Bray	Lindsay	Sisk
Cameron	McClory	Thomas
Clawson, Del	MacGregor	Toll
Conyers	Martin, Ala.	Udall
Craley	Martin, Mass.	Willis
de la Garza	Mathias	Wilson, Charles H.
Farnsley	May	
Fuqua	Pepper	

The SPEAKER. On this rollcall 381 Members have answered to their names, a quorum.

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

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1966

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 3 hours, one-half of that time to be controlled by the gentleman from Kansas [Mr. SHRIVER] and one-half to be controlled by myself.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, at the proper time I shall ask for recognition to make a point of order against consideration of the bill. I should like to be advised as to that time.

The SPEAKER. The Chair will say that if the unanimous-consent request is granted the gentleman may then assert whatever he wants to under the rules.

Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. GROSS. Mr. Speaker, I make the point of order against consideration of this bill on the ground that in adoption of the conference report by the Congress, and with the signature of the President of the United States now a fact, and, therefore, the authorization bill is law, it includes a new section, section 649, which reads as follows:

Limitation on aggregate authority for use in the fiscal year 1966.

The SPEAKER. What is the number of that section?

Mr. GROSS. Section 649.

The SPEAKER. Of the authorization bill?

Mr. GROSS. Of the authorization bill, which reads as follows:

Notwithstanding any other provision of this act, the aggregate of the total amount authorized to be appropriated for use during the fiscal year 1966 for furnishing assistance and for administrative expenses under this act shall not exceed $3,360 million.

Mr. Speaker, I call attention to the report, top of page 3, where it is clearly stated:

Funds available—fiscal year 1966 foreign assistance program.

That amounts to $3,630,622,000.

Mr. Speaker, I submit that the limitation placed in the conference report clearly limits this bill to $3,360 million.

The SPEAKER. What was the figure?

Mr. GROSS. The limitation contained in the conference report, which is now law, is $3,360 million. The report accompanying this bill states clearly there is sought to be appropriated by this bill $3,630,622,000.

The SPEAKER. The Chair understands that the gentleman from Iowa referred to section 649 of the authorization bill?

Mr. GROSS. Section 649 of the conference report—of the authorization bill.

The SPEAKER. The Chair wants to understand what the gentleman from Iowa says. The gentleman from Iowa referred to section 649 of the conference report?

Mr. GROSS. Yes.

The SPEAKER. Where does that appear in the conference report—what page?

Mr. GROSS. I do not have a copy of the conference report. I do have a copy of the CONGRESSIONAL RECORD. It appears on page 10 of the conference report near the bottom of the page, three paragraphs above the bottom of the page.

I would point out, Mr. Speaker, it was a new section.

The SPEAKER. That is part of section 303.

Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. PASSMAN. I do, Mr. Speaker.

Mr. Speaker, I should like to direct attention to the fact that the authorization bill limited new appropriations to $3,360 million. We are only recommending new appropriations in the amount of $3,285 million which is $75 million below the amount authorized.

Under section 645 of the basic act, and I quote:

Unexpended balances: Funds made available pursuant to this Act, the Mutual Security Act of 1955, as amended, Public Law 86–735, are hereby authorized to be continued available for the general purposes for which appropriated and may at any time be consolidated and in addition may be consolidated with appropriations made available

for the same general purposes under the authority of this Act.

Mr. Speaker, this is the basic legislation.

If I may make one further observation, Mr. Speaker, a good part of the section that the gentleman is referring to has to do with no-year funds anyway. The no-year funds in which the appropriation or unexpended balance is automatically carried forward would be $120,978,000. We have moved on the premise that the original basic act authorized the continuation of the unexpended or unobligated funds from previous years.

Mr. GROSS. Mr. Speaker, may I be heard further briefly?

The SPEAKER. The Chair will hear the gentleman.

Mr. GROSS. Mr. Speaker, I would point out the new section inserted in the authorization bill which has been read, and I am sure the Speaker understands it thoroughly, makes no provision for new funds. It says explicitly, "not withstanding any other provision of this Act, the limitation is $3,360 million."

The SPEAKER. The Chair is prepared to rule.

Without passing upon the question, that might arise later on, if it does, the Chair is of the opinion that the point of order should be made against the item or items in the appropriation bill which the gentleman from Iowa might claim to be in excess of the amount authorized by law, and not against the consideration of the bill itself.

The Chair overrules the point of order.

The question is on the motion.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10871, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Louisiana [Mr. PASSMAN] will be recognized for 1½ hours and the gentleman from Kansas [Mr. SHRIVER] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I yield myself whatever time I may consume.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. Mr. Chairman, I yield to the distinguished chairman of the Committee on Appropriations, the gentleman from Texas [Mr. MAHON].

Mr. MAHON. I thank my friend from Louisiana for yielding.

It is inevitable that in the course of this debate discussion will take place in regard to India and Pakistan. I thought it well at the outset of the discussion to mention this matter. I have been in touch with representatives of the executive branch, and as a result of those conversations, I should like to make the following statement:

The present conflict between India and Pakistan raises serious questions reaching far beyond the bill before us. We would all hope that the conflict will spread no further, that hostilities will cease, and that efforts to find a peaceful settlement will be successful. It is imperative that such a course be followed. Meanwhile, there is the question of what policy the U.S. Government should pursue.

The Secretary of State has assured me of the following:

First. The executive branch wholeheartedly supports the efforts of the Secretary General of the United Nations to effect a cease-fire and to achieve a peaceful settlement.

Second. The United States has suspended military aid shipments to both India and Pakistan, in keeping with its announced policy of full support for the efforts of the Security Council and of the Secretary General. The executive branch will consult fully with appropriate Members of the Congress about the situation in the subcontinent and the conditions under which military aid might be resumed.

Third. Pending the enactment of this bill, the administration has in general not been making new economic aid loans or grants to aid-receiving nations since the current fiscal year began, and this includes both India and Pakistan. Again the executive branch will consult with appropriate Members of the Congress on the situation in the subcontinent in connection with making new economic aid loans or grants.

I believe, under the circumstances that we should support the Secretary's position. It is too early to predict the course of events. We cannot overlook the possibility that the conflict may be enlarged by the participation of other countries. But we must hope for an early resolution of this tragic situation through the untiring efforts of the Secretary General. Given all the possibilities, it is plain that the alternative lines of action open to the United States should not at this time be foreclosed by legislative action on the pending bill. It is, therefore, vitally important to preserve our Government's freedom of action if it is to have a useful and constructive influence on the outcome. This is, above all, a time when we should give the President the necessary freedom of maneuver to protect the national interests and international peace.

I thank the gentleman from Louisiana.

Mr. PASSMAN. I thank the distinguished gentleman from Texas.

Is it not true that it will be many weeks before the legislation under consideration will become law, and if it should become necessary at some subsequent date, when it goes over to the other body, or in conference, adjustments can be made at that time? It would be somewhat premature to make adjustments at this time.

Mr. MAHON. I believe the gentleman is correct.

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

Mr. PASSMAN. I yield to the majority leader.

Mr. ALBERT. I appreciate the fine statement made by the distinguished gentleman from Texas. Perhaps it would be in order to say at this time, in addition, at the present time we do not know what Red China might do. If they should get involved we may have to reconsider our position.

Mr. PASSMAN. I thank the distinguished majority leader.

Mr. Chairman, I have been a Member of this body for 19 years—a member of the Committee on Appropriations 17 years—a member of the Foreign Operations Subcommittee on Appropriations 13 years—and chairman of the Foreign Operations Subcommittee on Appropriations for 11 years.

Well do I realize that with privileges come responsibilities. Inasmuch as it is my privilege to handle the foreign aid bill this year, it will be my responsibility to defend it to the fullest extent of my ability.

May I say at the outset that I shall defend the bill as a representative of the majority of the subcommittee and full committee. These views are not necessarily my own.

I came to Congress believing that it was the prerogative and duty of the Congress to write legislation and the responsibility of the executive branch to administer the laws that we pass. I shall limit my discussion of the shift in responsibility to the foreign aid bill. As it would apply to the foreign aid bill, the executive is just about running both shows: legislative and executive.

I have contended for many years that you cannot help the administration in power, or improve the foreign aid program by resorting to claims of mythical needs and purely imaginary accomplishments. In presenting the bill to the Committee today, I shall use the information furnished to the committee by the department heads as will be found in the printed hearings.

I am constrained to say, Mr. Chairman, that since the committee could not bring out a "bare-bone" bill, the majority voted out a "bare-bone" report which is now available for your observation.

After consulting with the Parliamentarian, I am in position to assure you that if any Member should, by a slip of the tongue, refer to this bill as "bare-boned," he should have no fear of any threat from an irate taxpayer because congressional immunity would afford him full protection.

I intend to present the bill with the facts that are available. It should be perfectly obvious to those who know me best that I shall vote for the bill based upon the recommendations of the majority of the committee, but—repeating—such views are far from my own.

To those who would term me inconsistent, may I say that both branches of the Congress authorized the foreign aid bill for fiscal 1966; it was signed by the President; and a majority of the subcommittee and full Committee on Appropriations recommended the bill before

you. And, I am acting only as an agent for the committee.

May I say that this is one of the fattest foreign aid bills presented to the Congress in many years. This can be established with facts when you pull together the fragments for a total figure. Foreign assistance has been fragmentized into different accounts, agencies, and international organizations.

It is not my purpose to indicate disrespect for the present AID Director, but may I say that upon investigation I find that since the foreign aid program came into being, it has had exactly the same number of directors as Tommy Manville has had wives. I know of no better way to focus attention on this ever-changing program.

Before getting into the actual discussion of the bill and its many ramifications, may I cite an incident in my life that prompts me to be cautious:

I was born and reared on the farm, the son of sharecroppers. My wonderful Christian mother was an avid chicken raiser. She had a fine barnyard with a picket fence around it so as to contain her chickens.

One spring an aunt gave my mama a fine Rhode Island rooster. It was a proud cock, and mama's flock liked him very much. Finally, one day the rooster was attracted to the cackling of a neighbor's flock, so over the fence he flew. From then on he could not be kept in his own barnyard, so my mother clipped his wings.

But, the rooster's desire to return to the neighbor's flock prompted him to continue trying to fly over the fence even with cropped wings. Finally, one day this fine rooster got his neck caught between two of the pickets of the fence and obviously we had rooster pie for supper—that would be dinner in Washington.

So, I will let that be a lesson to me. I have had my wings cropped, but I am not going to try to fly over the fence at this time. I am going to remain in the barnyard where I have been placed. I will listen to my own flock cackle—and I will do a bit of crowing—but I am not going to try to fly out of the yard. I do hope my wings will sprout again.

Thank you, my distinguished and able chairman, GEORGE MAHON, for permitting me to remain as chairman of the Foreign Operations Subcommittee on Appropriations. In my own way I shall endeavor to protect this body and the executive branch from the mythical claims for need of funds and imaginary accomplishments of the foreign aid program.

Mr. Chairman, my purpose is not to destroy foreign aid—but to help contain it. And, I have kept my criticism to a bareboned minimum.

May I suggest that the Members not read the hearings for this year and previous years too closely, because the information to be found therein is too revealing. Now, Mr. Chairman, may I get into the report and recapitulation of title I, title II, and title III.

SUMMARY OF THE BILL

Title No.	Title	Estimates	Recommended in bill for fiscal year 1966	Bill compared with estimates
I	Foreign assistance	$3,459,470,000	$3,285,000,000	−$174,470,000
II	Foreign assistance (other)	729,453,000	716,453,000	−13,000,000
III	Export-Import Bank (limitation)	(1,190,172,000)	(1,190,172,000)	
	Total	4,188,923,000	4,001,453,000	−187,470,000

Mr. Chairman, the President's budget contained estimates of $3,872,158,000 to finance the various programs contained in the bill. Subsequent amendments to the budget, contained in House Documents Nos. 127, 138, 150, and 197, provided for a net increase in the estimates of $316,765,000.

A majority of the committee recommends the appropriation of $4,001,453,000, which is $187,470,000 below the amended budget estimates of $4,188,923,000. Total aid fiscal 1966, $5,191,625,000.

TITLE I—FOREIGN ASSISTANCE

The conference report on the bill, H.R. 7750, authorizing appropriations for the foreign assistance program, contained specific amounts for each of the various programs which totaled $3,457,670,000. Section 649 of the same conference report limited the total amount of funds that could be appropriated for use in fiscal year 1966 to not to exceed $3,360 million and left to the judgment of the Executive to effect reductions that would bring the total of the various programs within the limitation. Subsequently, the Executive submitted the following recommendation as to which programs should absorb the unspecified reduction of $96,670,000 made by the conference committee on the authorization bill:

Program	Budget estimate	Conference authorization bill	Revised estimate
Technical cooperation and development grants	$219,000,000	$210,000,000	$202,355,000
Alliance for Progress: Development loans	495,125,000	505,125,000	470,125,000
Development loans	780,250,000	780,250,000	725,225,000

The following table compares the amount authorized with the amount recommended by a majority of the committee for the various items of the fiscal year 1966 foreign assistance program:

Program	Conference authorization bill (H.R. 7750)	Recommended in the bill	Bill compared with conference authorization bill
Economic assistance:			
Technical cooperation and development grants	$210,000,000	$202,355,000	−$7,645,000
American schools and hospitals abroad	7,000,000	7,000,000	
International organizations and programs	144,755,000	144,755,000	
Supporting assistance	369,200,000	369,200,000	
Contingency fund, general	50,000,000	50,000,000	
Contingency fund, southeast Asia	89,000,000	89,000,000	
Alliance for Progress:			
Technical cooperation and development grants	75,000,000	75,000,000	
Development loans	505,125,000	445,125,000	−60,000,000
Development loans	780,250,000	675,225,000	−105,025,000
Administrative expenses, AID	54,240,000	54,240,000	
Administrative expenses, State	3,100,000	3,100,000	
Subtotal, economic assistance	2,287,670,000	2,115,000,000	−172,670,000
Military assistance	1,170,000,000	1,170,000,000	
Total	[1] 3,457,670,000	3,285,000,000	−172,670,000
Conference limitation	[1] (3,360,000,000)	(3,285,000,000)	(−75,000,000)

[1] Sec. 649 of authorization bill limited appropriations for fiscal year 1966 to not to exceed $3,360,000,000.

FUNDS AVAILABLE

The table below is a comparison of the total funds estimated to be available to the program in fiscal year 1966, based on the recommended appropriation of $3,285,000,000, with the funds available in fiscal year 1965:

Funds available—Fiscal year 1966 foreign assistance program

Item	Fiscal year 1965	Fiscal year 1966
New appropriations	$3,250,000,000	$3,285,000,000
Carryover from prior-year appropriations	28,865,000	158,352,000
Reimbursements and receipts	8,533,000	32,100,000
Deobligations of prior-year obligations	289,897,000	155,170,000
Transfer from DOD appropriations (sec. 510)	75,000,000	
Total, funds available	3,652,295,000	3,630,622,000

As the table above indicates, funds available in fiscal year 1966 are $21,673,000 below the amount available for the same programs in fiscal year 1965:

Technical cooperation and development grants

1965 appropriation	$202,071,000
1966 estimate	219,000,000
1966 authorization	210,000,000
Recommended for 1966	202,355,000

Technical assistance is AID's primary instrument for the development of human resources and the strengthening of institutions—the core requirements for economic and social progress—and will be conducted in 48 countries and 6 regional or organizational programs. Technical assistance to the 20 Latin American countries and two regional programs are funded under the Alliance for Progress program discussed later. This type grant aid will be extended in such fields as education, agriculture, industry and transportation, health and sanitation, and public administration.

The budget program of $240 million, to be financed by $219 million in new obligational authority and $21 million in carryover and recoveries, on a regional basis, is as follows:

Region:	*Fiscal year 1966 program*
Near East and South Asia	$46,400,000
Far East	43,000,000
Africa	92,000,000
Nonregional and research	58,600,000
Total	240,000,000

The committee recommends an appropriation of $202,355,000, which is $284,000 above the 1965 appropriation and $7,645,000 below the authorization.

American schools and hospitals abroad

1965 appropriation	$16,800,000
1966 estimate	7,000,000
1966 authorization	7,000,000
Recommended for 1966	7,000,000

This program is designed to provide limited financial support by the U.S. Government to American-sponsored schools and hospitals located in various countries abroad. The following table shows the details of the program during the past 2 years and the proposed program for fiscal year 1966:

Name and location of institution	Fiscal year 1964	Fiscal year 1965	Proposed, fiscal year 1966
214(a) program:			
1. American University of Beirut, Lebanon (including medical center)	$4,240,000	$12,500,000	$2,000,000
2. International College of Beirut, Lebanon	1,500,000	0	0
3. American Farm School, Thessaloniki, Greece	180,000	125,000	----------
4. Anatolia College, Thessaloniki, Greece	291,000	80,000	----------
5. Athens College, Greece	300,000	70,000	----------
6. Pierce College, Athens, Greece	921,000	125,000	----------
7. Robert College, Istanbul, Turkey	2,800,000	1,500,000	----------
8. American University in Cairo, Egypt	[1] 1,400,000	[2] 1,100,000	[3] 1,200,000
9. Escuela Agricola Panamericana, Tegucigalpa, Honduras	470,000	250,000	----------
214(b) program:			
10. Admiral Bristol Hospital and Nursing School, Istanbul, Turkey	0	250,000	----------
11. Polish Children's Hospital, Krakow, Poland	[4] 6,100,000	0	0
12. Seagraves Hospital and Nursing School, Burma	0	[5] 30,000	----------
13. Project HOPE	1,600,000	1,500,000	1,500,000
Total	19,802,000	17,530,000	[6] 7,000,000

[1] $800,000 in foreign currency.
[2] In foreign currency.
[3] $1,100,000 foreign currency.
[4] $3,900,000 in U.S.-owned Polish zlotys.
[5] Pending, to be made in foreign currency.
[6] Total includes classified figures.

The committee recommends the appropriation of $7 million, the budget estimate, for this program in fiscal year 1966. This is $9,800,000 below the 1965 appropriation.

International organizations and programs

1965 appropriation	$134,272,400
1966 estimate	145,555,000
1966 authorization	144,755,000
Recommended for 1966	144,755,000

The budget proposed voluntary contributions to the following programs of the United Nations and three international programs:

	Fiscal year 1966 estimate
U.N. expanded program of technical assistance and Special Fund	$65,000,000
U.N. technical and operational assistance to the Congo	5,000,000
U.N. Relief and Works Agency for Palestine refugees	16,000,000
U.N. Children's Fund	12,000,000
U.N./Food and Agriculture Organization—World food program	$2,000,000
International Atomic Energy Agency—Operational program	1,000,000
Indus Basin Development Fund	43,100,000
International Secretariat for Volunteer Service	120,000
World Health Organization—Medical research	100,000
U.N. peacekeeping: U.N. Emergency Force (Near East)	835,000
U.N. Training and Research Institute	400,000
Total	145,555,000

The committee recommends the appropriation of $144,755,000 to finance the voluntary contribution of the United States to the above noted organizations and programs. This is an increase of $10,482,600 above the appropriation for fiscal year 1965, but the same amount as the authorization for fiscal year 1966.

Supporting assistance

1965 appropriation	$401,000,000
1966 estimate	449,200,000
1966 authorization	369,200,000
Recommended for 1966	369,200,000

Supporting assistance is economic assistance provided primarily to enable larger defense efforts to be undertaken in less-developed nations threatened by Communist expansion and to avert situations of dangerous instability in sensitive areas. In a few instances it is also provided to encourage independence of action in nations susceptible to Russian or Chinese Communist domination, to assure access to U.S. military bases, and in other ways to protect and advance immediate U.S. foreign policy interests.

The budget program of $460,200,000 for supporting assistance—composed of $449,200,000 in new obligational authority and $11 million in recoveries—is for assistance to the following 13 countries and one regional program: Bolivia, Dominican Republic, Haiti, Trinidad and Tobago, Jordan, Yemen, Korea, Laos, Thailand, Vietnam, Congo (Léopoldville), Guinea, Rwanda, Africa regional.

An appropriation of $369,200,000, the amount authorized, is recommended for fiscal year 1966, which is $31,800,000 below the 1965 appropriation of $401 million and $80 million below the budget estimate.

Contingency fund, general

1965 appropriation	$99,200,000
1966 estimate	50,000,000
1966 authorization	50,000,000
Recommended for 1966	50,000,000

The contingency fund is used to meet urgent assistance needs which are not foreseen or cannot be accurately estimated at the time of presentation of the program to the Congress.

The committee recommends the appropriation of the budget estimate of $50 million for this purpose. This is $49,200,000 less than the amount appropriated for fiscal year 1965.

Contingency fund, southeast Asia

1965 appropriation	----------
1966 estimate	----------
1966 authorization	$89,000,000
Recommended for 1966	89,000,000

The conference report on the Foreign Assistance Act of 1965 authorized an appropriation of $89 million for expanded programs of economic and social development in southeast Asia, rather than increasing the authorization for "Technical cooperation and development grants" by $9 million and "Supporting Assistance" by $80 million as requested by the President in House Document No. 197, dated June 3, 1965.

The committee recommends an appropriation of $89 million for this purpose.

ALLIANCE FOR PROGRESS

The President's budget proposed a program of $596,125,000 for the Alliance for Progress in fiscal year 1966, composed of the following items.

Appropriation	New obligational authority	Carryover and reimbursements and receipts	Deobligations of prior year obligations	Fiscal year 1966 program
Technical cooperation and development grants	$85,000,000		$3,000,000	$88,000,000
Development loans	495,125,000	$8,000,000	5,000,000	508,125,000
Total	580,125,000	8,000,000	8,000,000	596,125,000

The January budget did not anticipate any carryover of unobligated funds into fiscal year 1966. However, recent data submitted to the committee indicate that $29,686,000 of fiscal year 1965 development loan funds and $6,562,000 of technical cooperation funds will be available for carryover into the fiscal year 1966 Alliance for Progress program.

In addition to the above Alliance program, the budget also contained $13,600,000 in the supporting assistance estimate and $77,264,000 under the military assistance program estimate for Latin America.

Technical cooperation and development grants: The committee recommends an appropriation of $75 million for this purpose, a reduction of $10 million below the budget estimate and $9,700,000 below the fiscal year 1965 appropriation.

Development loans: An appropriation of $445,125,000 is recommended for development loans in the Latin American region for fiscal year 1966. This is $50 million below the budget estimate of $495,125,000 but an increase of $20,125,000 above the appropriation for this purpose in fiscal year 1965.

Development loans

1965 appropriation	$773,727,600
1966 estimate	780,250,000
Recommended for 1966	675,225,000

The January budget proposed a development lending program, exclusive of the Latin American area, of $840,250,000, composed of the following items:

Fiscal year 1966 program

New obligational authority	$780,250,000
Loan receipts	20,000,000
Deobligations of prior year obligations	40,000,000
Total	840,250,000

On a regional basis, the January budget proposed the following development lending program:

Fiscal year 1966 program

Near East and South Asia	$690,000,000
Far East	50,000,000
Africa	100,000,000
Nonregional	250,000
Total	840,250,000

As in the case of Alliance for Progress development loan appropriation above, the January budget did not contemplate any carryover of unobligated funds from this appropriation into fiscal year 1966. However, recent data indicate that $91,292,000 was unobligated on June 30 and has been carried over into fiscal year 1966.

The committee recommends the appropriation of $675,225,000 for this purpose in fiscal year 1966, which is $105,025,000 below the estimate and $98,502,600 below the fiscal year 1965 appropriation.

Administrative expenses, AID

1965 appropriation	$53,600,000
1966 estimate	55,240,000
1966 authorization	54,240,000
Recommended for 1966	54,240,000

An appropriation of $54,240,000 is recommended for administrative expenses of the Agency. This is an increase of $640,000 above the appropriation for fiscal year 1965.

Administrative expenses, State

1965 appropriation	$3,029,000
1966 estimate	3,100,000
Recommended for 1966	3,100,000

The committee recommends an appropriation of $3,100,000 for the following purposes in fiscal year 1966:

Program	Fiscal year 1966 estimate	Recommended
U.S. Missions to NATO and OECD	$2,146,000	$2,146,000
Battle Act program	954,000	954,000
Total	3,100,000	3,100,000

Military assistance

1965 appropriation	$1,055,000,000
1966 estimate	1,170,000,000
1966 authorization	1,170,000,000
Recommended for 1966	1,170,000,000

The military assistance program provides equipment and training for defense on either a grant or credit assistance basis to help safeguard the independence of nations resisting Communist encroachment and to strengthen alliance and other security arrangements without which U.S. interests would be seriously impaired.

The detail of the fiscal year 1966 program compared with the fiscal year 1965 program follows:

Funds available—MAP

Item	Fiscal year 1965 program	Fiscal year 1966 estimate
New obligational authority	$1,055,000,000	$1,170,000,000
Reappropriation of unobligated balances	965,000	10,000,000
Recoupments	139,550,000	78,000,000
Transfer from economic assistance appropriations	55,000,000	
Use of Section 510 contract authority	75,000,000	
Total funds available	1,325,515,000	1,258,000,000

The committee recommends the appropriation of the budget estimate of $1,170 million for this program in fiscal year 1966. The recommended amount is $115 million above the appropriation for fiscal year 1965 but as the funds available table above indicates the fiscal year 1966 program as presently proposed will be $67,515,000 less than the fiscal year 1965 program despite the recommended increase of $115 million in new obligational authority.

The table below indicates the 40 countries for which a grant materiel program is planned and the 14 additional countries for which a training program only is contemplated:

	Fiscal year 1966		Amount
	Proposed program for (40)	Training only for (14)	
Forward defense:			
China, Republic of	X		
Greece	X		
India	X		
Iran	X		
Korea	X		
Laos	X		
Pakistan	X		
Philippines	X		
Thailand	X		
Turkey	X		
Vietnam	X		
Total, forward defense			$905,023,000
Alliance for Progress security:			
Argentina	X		
Bolivia	X		
Brazil	X		
Chile	X		
Colombia	X		
Costa Rica	X		
Dominican Republic	X		
Ecuador	X		
El Salvador	X		
Guatemala	X		
Honduras	X		
Mexico		X	
Nicaragua	X		
Panama	X		
Paraguay	X		
Peru	X		
Uruguay	X		
Venezuela		X	
Total, Alliance for Progress			77,264,000
Military base:			
Ethiopia	X		
Libya	X		
Portugal	X		
Spain	X		
Total, military base			38,855,000
Grant aid phaseout:			
Denmark	X		
Japan		X	
Norway	X		
Total grant aid phaseout			39,208,000
Free world orientation:			
Afghanistan		X	
Congo	X		
Iraq		X	
Jordan	X		
Lebanon		X	
Liberia	X		
Malaysia		X	
Mali	X		
Morocco		X	
Nepal	X		
Nigeria		X	
Saudi Arabia		X	
Senegal	X		
Syria		X	
Tunisia		X	
Yemen		X	
Country A	X		
Country B		X	
Total, free world orientation			16,869,000

	Fiscal year 1966		Amount
	Proposed program for (40)	Training only for (14)	
U.S. Forces support and MAP administration:			
Infrastructure			$70,000,000
International Military Headquarters			19,080,000
Regional costs			18,201,000
Program administration			23,500,000
Credit assistance			50,000,000
Total			180,781,000
Total obligational authority			1,258,000,000
Less: Reappropriations, recoupments, and transfers			−88,000,000
Total			1,170,000,000

TITLE II—FOREIGN ASSISTANCE (OTHER)

Peace Corps

1965 appropriation ..... [1] $87,100,000
1966 estimate 115,000,000
Recommended for 1966 ..... [2] 102,000,000

[1] Plus the reappropriation of $17,000,000 of unobligated funds remaining available on June 30, 1964.

[2] Plus the reappropriation of $12,100,000 of unobligated funds remaining available on June 30, 1965.

The amended budget proposed an appropriation of $115 million to finance an estimated Peace Corps strength of 15,110 volunteers and trainees during the program year ending August 31, 1966, compared to an estimated 13,710 on August 31, 1965.

Testimony indicated that the unobligated balance of funds on June 30, 1965, was estimated to be $12,100,000. Therefore, the committee recommends an appropriation of $102 million plus the reappropriation of $12,100,000 of unobligated funds to provide a total of $114,100,000 for the operation of the Peace Corps in fiscal year 1966.

The following table shows the number of volunteers and trainees by country as of May 31, 1965:

Volunteers and trainees (as of May 31, 1965)

Africa:	
Cameroon	103
Ethiopia	569
Gabon	35
Ghana	115
Guinea	104
Ivory Coast	55
Kenya	134
Liberia	346
Malawi	231
Niger	43
Nigeria	649
Senegal	58
Sierra Leone	150
Somali Republic	58
Tanzania	325
Togo	57
Uganda	37
Total, Africa	3,069
Latin America:	
Bolivia	259
Brazil	550
British Honduras	47
Chile	309
Colombia	609
Costa Rica	87

Volunteers and trainees (as of May 31, 1965)—Continued

Latin America—Continued	
Dominican Republic	139
Ecuador	336
El Salvador	75
Guatemala	116
Honduras	107
Jamaica	82
Panama	132
Peru	428
St. Lucia	13
Uruguay	19
Venezuela	269
Total, Latin America	3,577
North Africa, Near East, and south Asia:	
Afghanistan	137
India	427
Iran	133
Morocco	164
Nepal	150
Pakistan	135
Tunisia	337
Turkey	337
Total, North Africa, Near East, and South Asia	1,640
Far East:	
Malaysia	384
Philippines	326
Thailand	264
Total, Far East	974
Grand total	9,260
Plus:	
PCT's entering June 1 to Aug. 31	6,962
Completions of service and terminations, June 1 to Aug. 31	−2,512
On board Aug. 31, 1965	13,710

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Ryukyu Islands—Army

1965 appropriation $14,441,000
1966 estimate 14,733,000
Recommended for 1966 14,733,000

The proposed program for administration of the Ryukyu Islands by the Department of the Army in fiscal year 1966 is as follows:

	Estimate, fiscal year 1966
Administrative activities	$2,733,000
Pay of personnel	2,288,000
Travel of civilian employees	125,000
Information materials and services	150,000
Operating expenses	170,000
Aid to Ryukyuan economy	12,000,000
Reimbursement for Government services	1,200,000
Contribution to Government projects	9,260,000
Transportation of commodities	5,000
Technical education and training	815,000
Technical cooperation	720,000
Total	14,733,000

The committee recommends the appropriation of the budget estimate of $14,733,000 to finance the program noted above in fiscal year 1966, an increase of $292,000 above the fiscal year 1965 appropriation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Assistance to refugees in the United States

1965 appropriation $32,211,000
1966 estimate 32,265,000
Recommended for 1966 32,265,000

This program is designed to provide assistance to refugees who have fled from Communist Cuba and sought refuge in the United States—primarily in the Miami, Fla., area.

The budget program for fiscal year 1966 is as follows:

	1966 estimate
I. Direction and coordination of program	$883,000
II. Welfare assistance and services:	
Financial assistance to needy refugees in the Miami area	8,272,000
Transitional resettlement allowances	200,000
Assistance to resettled refugees who become needy	5,101,000
Unaccompanied children	3,800,000
Distribution of surplus commodities	60,000
Hospitalization	1,038,000
State administration of program	1,146,000
Total welfare assistance and services	19,617,000
III. Resettlement and employment opportunities	1,690,000
IV. Education:	
Assistance to Dade County public schools	4,156,000
Vocational training for youth and adults	1,385,000
Assistance to college students	3,200,000
Professional training and placement	400,000
Total education	9,141,000
V. Health services:	
Refugee health clinic	588,000
Outpatient services	120,000
Maternal and child health and school health	100,000
Hospitalization for long-term illness	126,000
Total health services	934,000
Total	32,265,000

Appropriations for this program have declined from the fiscal year 1963 appropriation of $70,110,000 to the recommended appropriation for fiscal year 1966 of $32,265,000, the amount of the budget estimate.

DEPARTMENT OF STATE

Migration and refugee assistance

1965 appropriation $8,200,000
1966 estimate 7,575,000
Recommended for 1966 7,575,000

The budget estimate of $7,575,000 was proposed to finance the following activities of this refugee program in fiscal year 1966:

	1966 estimate
Contributions to Intergovernmental Committee for European Migration	$4,750
Contributions to program of United Nations High Commissioner for Refugees	600
Refugees from European Communist countries	900
Refugees from Communist China	600
Tibetan refugees	200
Administration	525
Total	7,575

To finance this program in fiscal year 1966 the committee recommends the appropriation of $7,575,000, the amount of the estimate.

In addition, the committee has included language in the bill which will continue available until December 31, 1965, $371,000 of prior year appropriations. This action is necessary in view of a GAO opinion questioning the validity of obligations in the amount of $740,000 established against appropriations for the fiscal years 1963 and 1964 respecting four contracts entered into by the Department of State with two voluntary refugee organizations and the American Red Cross. The original amount in question subsequently has been reduced, consistent with the GAO opinion, to $520,943, and further savings in the program will reduce the requirement for reappropriation to $371,000, the amount recommended in the bill.

Also, to prevent a further reoccurence of this problem and to provide for better fiscal management of the program, the committee has included language in the bill to make all program funds, except administrative expenses, available on a calendar year basis.

Inter-American Development Bank

1965 appropriation	$455,880,000
1966 estimate	455,880,000
Recommended for 1966	455,880,000

The $455,880,000 estimate recommended by the committee is composed of two elements:

First, $205,880,000 represents one-half of the U.S. share of the increased callable capital stock of the Bank, which is authorized by Public Law 88–259. An identical appropriation was approved by the Congress in the fiscal year 1965 Foreign Assistance Appropriation Act. The testimony last year and again this year indicated that it is highly unlikely that the total appropriation of $411,760,000 will be paid out as an actual cash expenditure of the U.S. Treasury.

Second, $250 million represents the second installment of the U.S. share in the increase in the resources of the fund for special operations of the Bank. Public Law 89–6, approved March 24, 1965, authorized a total contribution of $750 million for this purpose. The first installment of $250 million was contained in the Second Supplemental Appropriation Act for 1965, approved April 30, 1965.

International Development Association

1965 appropriation	$61,656,000
1966 estimate	104,000,000
Recommended for 1966	104,000,000

The committee recommends the appropriation of $104 million, the budget estimate, as the first installment of a total supplementary contribution of $312 million to the resources of the International Development Association, as authorized by Public Law 88–310.

To date, the Congress has appropriated a total of $320,290,700 to the Association which makes soft-term loans for development assistance purposes. This recommended appropriation plus the two additional appropriations of $104 million in fiscal years 1967 and 1968 will make a total U.S. contribution of $632,290,700 to the Association.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating and administrative expenses: The budget proposed an operating expense budget of $1,186,120,000 and an administrative expense budget of $4,052,000. The committee has approved the budget estimate for both purposes and has again included limitations in the accompanying bill to that effect.

Foreign assistance appropriations bill, 1966

TITLE I

Program	Authorization	Recommended in bill	Reduction
Economic assistance:			
Technical cooperation and development grants	$210,000,000	$202,355,000	−$7,645,000
American schools and hospitals abroad	7,000,000	7,000,000	
International organizations and programs	144,755,000	144,755,000	
Supporting assistance	369,200,000	369,200,000	
Contingency fund, general	50,000,000	50,000,000	
Contingency fund, southeast Asia	89,000,000	89,000,000	
Alliance for Progress:			
Technical cooperation and development grants	75,000,000	75,000,000	
Development loans	505,125,000	445,125,000	−60,000,000
Development loans	780,250,000	675,225,000	−105,025,000
Administrative expenses, AID	54,240,000	54,240,000	
Administrative expenses, State	3,100,000	3,100,000	
Subtotal, economic assistance	2,287,670,000	2,115,000,000	−172,670,000
Military assistance	1,170,000,000	1,170,000,000	
Total	3,457,670,000	3,285,000,000	−172,670,000

TITLE II

Foreign assistance (other):			
Peace Corps	$115,000,000	$102,000,000	−$13,000,000
Ryukyu Islands, Army, administration	14,733,000	14,733,000	
Assistance to refugees in the United States	32,265,000	32,265,000	
Migration and refugee assistance	7,575,000	7,575,000	
Investment in Inter-American Development Bank	455,880,000	455,880,000	
Subscription to the International Development Association	104,000,000	104,000,000	
Total, title II, foreign assistance (other)	729,453,000	716,453,000	−13,000,000

TITLE III

Export-Import Bank:			
Long-term loans	$900,000,000	$900,000,000	
Other loans, guarantees, insurance, etc	286,120,000	286,120,000	
Total, limitation on operating expenses	1,186,120,000	1,186,120,000	
Limitation on administrative expenses	4,052,000	4,052,000	
Total, title III	1,190,172,000	1,190,172,000	
Grand total, foreign aid for fiscal 1966	5,377,295,000	5,191,625,000	−$185,670,000

FISCAL 1965 BILL

First. Subcommittee recommended $3,316 million.

Second. Senate reduced it to $3,250 million.

Third. Amount obligated out of 1965 appropriation: $3,091,648,000.

Fourth. Unobligated funds fiscal 1965: $158,352,000.

GENERAL STATEMENT

Many are concerned as to the apparent lack of knowledge on the part of the taxpayer about the magnitude of our total foreign assistance program. The dollar figure most widely quoted is $3.4 billion. However, the RECORD shows that the President is requesting during this session of the Congress approximately $7.5 billion for foreign assistance purposes. The table below indicates the various foreign assistance programs contained in the President's amended January budget:

New foreign aid funds requested so far in 1965

Foreign assistance requests, as amended (mutual security)	$3,459,470,000
Receipts and recoveries from previous credits	$209,770,000
Military Assistance Advisory Group	76,000,000
Export-Import Bank (long-term credits)	900,000,000
Public Law 480 (agricultural commodities)	1,658,000,000
Inter-American Development Bank (Latin America)	705,880,000
International Development Association (IDA)	104,000,000
Peace Corps	115,000,000
Contributions to international organizations	96,953,000
Permanent construction overseas (military)	85,986,000
Educational (foreign and other students)	69,200,000
Ryukyu Islands	14,733,000
Migrants and refugees	7,575,000
Atomic Energy Commission (overseas)	5,900,000
Inter-American Highway (Latin America)	4,000,000
Total new foreign aid requests, first 6 months of 1965	7,512,467,000

The unexpended balance as of June 30, 1965, for the above-named programs or activities is estimated to be $10,605,738,000.

New foreign aid funds requested so far in 1965

	In thousands
Foreign assistance requests, as amended (mutual security)	$3,459,470
Receipts and recoveries from previous credits	209,770
Military Assistance Advisory Group	76,000
Export-Import Bank (long-term credits)	900,000
Public Law 480 (agricultural commodities)	1,658,000
Inter-American Development Bank (Latin America)	705,880
International Development Association (IDA)	104,000
Peace Corps	115,000
Contributions to international organizations	96,953
Permanent construction overseas (military)	85,986
Educational (foreign and other students)	69,200
Ryukyu Islands	14,733
Migrants and refugees	7,575
Atomic Energy Commission (overseas)	5,900
Inter-American Highway (Latin America)	4,000
Total new foreign aid requests, first 6 months of 1965	7,512,467

As of June 30, 1965, the estimated unexpended balance for the 15 items listed above was $10,605,738,000. This years' authority and previous unliquidated funds will make available for future disbursement an amount in excess of $18 billion.

Now, Mr. Chairman, let us discuss the request for foreign aid for fiscal 1966. There are three titles to this bill. Of course, foreign aid is scattered throughout 15 bills presented to the Congress, but at this time I shall discuss only the 3 titles in the bill it is my privilege to present to you today. In the press, over the radio and TV, and in the Halls of Congress we hear only about title I of the foreign aid bill, but the other titles are just as much foreign aid and it is the same type of dollars that you find in title I.

Now, the committee is recommending new appropriations in the amount of $3,285 million in title I. They are recommending $716,453,000 in title II. They are recommending $1,186,120,000 in title III. So the total foreign aid, as I interpret foreign aid, in the bill before you is in reality $5,191,625,000.

Now, in title I you find technical cooperation and development grants, and American schools and hospitals abroad. We have made no reduction there. International organizations and programs, $144,755,000. The committee made no reduction there. Supporting assistance, $369,200,000. The committee recommended no reduction there.

Contingency fund, general, $50 million. The committee recommended no reduction there.

Contingency fund, southeast Asia, $89 million. The committee recommended no reduction there.

Alliance for Progress, technical cooperation and development grants, $75 million. The committee made no recommendation for reduction there.

Alliance for Progress, development loans, $505,125,000. The authorizing committee and the Appropriations Committee made the staggering reduction of $60 million.

Development loans, $780,250,000. Again the committee made the fantastic reduction of $105,025,000.

Administrative expenses for AID, State Department, no changes.

Military assistance, $1,170 million: The committee made no recommendations for any reduction there.

Now we move into title II. We have the Peace Corps, $115 million. The committee made no recommendations for reduction there. I think it is only fair to the great Director of that corps that we point out his record, for the benefit of the Members of Congress. I am quite envious of this gentleman. If he should go to Alaska to open a refrigerator plant, I would buy stock in it, because I think he would do a land office business, if he had the same kind of success selling refrigerators in Alaska as he has had in selling Members of Congress on the Peace Corps.

This outfit started about 4 years ago. Mr. Shriver has adopted a rather unusual technique, and it has worked out beautifully. I should like to give him credit for the record he has made. He goes down to the Budget Bureau and puts up a good argument for the Peace Corps. A request for $125 million is included in the budget. Then about 2 weeks before hearings begin he notifies the budget that he needs $10 million less than the original estimate. So he amends his budget request and he saves money even before the bill gets to the Congress. He comes down to the Congress and the Congress automatically gives him just about every dime he asks for.

Then when he completes the year, he points out another savings. He says we are turning back some $13 million. He adds that up as a saving. If those are real savings, including the reduction of the budget before it even gets to the Congress, then I think we need him to help balance the budget.

As I say, I am just a little envious of his brilliant salesmanship.

Nevertheless, again this year, in my opinion, we are overfunding the Peace Corps. We are giving them all the money they have asked for. After he has supplemented his request to the budget, we supplement it again. Then he says we can take out another $900,000, and there is, as you know, a carryover of $13 million from previous years. We took that off this year's request. So, even though we show that we made a reduction, it is not really a reduction.

Now we get the Ryukyu Islands. Certainly we realize the importance of Okinawa and the islands. We are making no mention in this bill about any expenditures that we make as actual aid to the Ryukyuans, including the expense of the High Commissioner. This little item is only $14,733,000. I think it is a good program. I recommended it and the committee supported it. Let us not involve it with any military installations and expenditures there. These are AID programs, the dole system, including the administrative expenses for the High Commissioner's Office.

Then we have assistance to refugees in the United States. The 1966 estimate is $32,265,000. We have made no reductions there.

The next item is migration and refugee assistance. There is no reduction there.

For the Inter-American Development Bank, $455,880,000.

There is no reduction made in that estimate.

May I call attention to the fact that in April this year we passed an authorization for an additional $250 million. Then we pushed through a supplemental of $250 million, just before the curtain fell on the end of the fiscal year 1965. The appropriation of the supplemental of $250 million was approved by the House in April. So that money is on hand undisbursed. Make no mistake about that. So that, in reality, we should point out that there is a total of $705 million, but inasmuch as the additional money was approved in a supplemental, we leave that out.

Now we come to the International Development Association, $104 million. Mr. Chairman, make no mistake about it, this is just as much foreign aid as your arm is a part of your body. Why the executive branch does not consolidate all these AID programs and level with us—and I really like to use that word, because they should level with us—and give us the total bill, I do not know. When you fragmentize it, you confuse the public and you confuse the taxpayer who is putting up this money.

Then we have these international organizations. Let us take first the International Development Association.

Here is a record on the United States and the other 93 member nations:

Mr. Chairman, we put up 41 percent of the funds and the other 93 members put up only 59 percent, some of them less than 1 percent of the total.

Those who may put up 5 or 6 percent recognize that the money goes to their former colonies where they have very profitable trade agreements.

Oh, Mr. Chairman, we have some people—downtown, especially—who say, "Oh, this is a great thing; old Uncle Sam puts up 41 percent and we get the other 93 members to put up 59 percent."

Mr. Chairman, if the members of the committee would read some of the debate in the parliaments overseas they will find that they say, "Well, of course, this money is going to our colonies—former colonies—where we had, and still have, very strong agreements. If we put up 6 percent, we can get the United States to put up 41 percent."

Mr. Chairman, the members of the committee should read some of the debate about how they figure it is to their

advantage to put up 6 percent in order to get 41 percent out of us.

Why do we not call it foreign aid?

Mr. Chairman, you have a recommendation before the Committee at this time, and it is in the bill, that you transfer as much as 15 percent of the development loan fund, under title I, over to the International Development Association. I know it has been taken out, but it was in the bill. That was recommended. So, to me, it is foreign aid.

Then, Mr. Chairman, this bill provides $455,880,000 for the Inter-American Bank; $250 million of this is an outright appropriation and the other $205,800,000 is investment capital.

Mr. Chairman, we are told, and we have reason to believe, that we will never be called upon to write checks on this fund. Nevertheless, it is an appropriation.

In title III of this bill we recommend the amount of $900 million for the Export-Import Bank for long-term loans.

We believe this is a good agency. We have reason to believe that these loans will be paid back. Nevertheless, we should not forget that you are actually granting aid here.

Mr. Chairman, these loans are made for a period of up to 25 years. The average on this part of the Export-Import Bank's operations amount to $900 million, and you have an additional $286,120,000, making a total in the Export-Import Bank of $1,190,172.

Now, Mr. Chairman, let us agree that it is a good organization. But let us set aside the $900 million, inasmuch as the average length of time we give the recipients to pay the money back is 17 years and going up to 25 years.

Let us say it is good, but nevertheless it is aid. We are making these loans with which they can purchase our commodities. We hope the loans will be repaid. We would like to think so, anyway.

Last year, Mr. Chairman, there were some changes in the system by which we handled this bill. There were some new members on the committee, and, incidentally, we had a new chairman of the full committee—a very fine, cooperative, and very fair chairman—and it is a pleasure to serve under him. Nevertheless, he came onto the subcommittee as a new member. He had never had the opportunity to serve on this subcommittee before. He came on unexpectedly and, of course, he had never gone into the ramifications of this program prior to this year. The subcommittee did not feel disposed to accept the figure I wished to recommend. I do not feel that my position needs any defense, but believing that the rules were such that I, as chairman of the subcommittee, would have to defend the bill in great detail and brag on it and vote for it, I voluntarily stepped aside. The committee recommended $3,616 million. This bill went to the other body and the other body could not stand that large figure. They cut it back to $2,350 million. Almost everyone thought that this represented a bare-bones bill, but at the close of the fiscal year they had $158 million unobligated. They said they needed it, but they did not need it during the year for which it was appropriated—unobligated, $158 million. Therefore, they really obligated only $3,091 million, which is $8 million more than I had previously recommended.

Mr. Chairman, pardon me for crowing just a little bit about naming an amount so close to the actual needs of this organization.

Mr. Chairman, I am of the opinion that I should prove the point I made a moment ago about this bill and other foreign aid bills which we have had before us.

Mr. Chairman, may I direct your attention to the year of 1955. This was the first year it was my privilege to chair the subcommittee. We appropriated only $2.703 billion. The authorization called for a larger amount but we appropriated only $2.703 billion for fiscal 1956. So the bill before you calls for almost $600 million above the amount appropriated for fiscal 1956.

Again, for fiscal 1958, the Congress appropriated only $2,768,760,000, over $500 million below what is in the bill before you today.

For fiscal 1960, the Congress in its wisdom appropriated $3,225,813,000. That year we cut this bill $1,204,182,000 below the authorization, and still left it overfunded.

In 1964 your committee cut this bill $1,525,325,000. We only appropriated new funds in the amount of $3 billion. Moving to last year, $3,250 million.

I want to give the committee full credit, because they did the work, and I got the credit. That is characteristic of a man when you give him a promotion. Your committee over a period of 10 years cut this bill by $8,374,962,000, 19.96 percent, or approximately 20 percent. None of the reductions made during the entire 10-year period were offset by supplementals. The only additional appropriations made were, first, development credits, $200 million; and second, financing the Bogotá Conference and Chilean relief, $600 million.

Mr. Chairman, I do not mean this as criticism. I want to be constructive. I want to defend this bill, but I want to point out in no uncertain terms that these people do not actually know what they need. They reach up in the sky and pull down the figures used as estimates for needed funds.

During each of the past 10 years the administration in power has reacted with horror at the mention of any cut in the foreign aid budget, and predicted dire consequences to our Nation if the Congress should reduce the administration request. However, the budgets were cut. Even so, in every case the amount appropriated proved to be in excess of needs. The aggregate reduction during the past 10 years amounted to $8,374,962,000, and we left the program overfunded, at that. After reducing the 10 budgets for 10 years by 20 percent the agency still had a staggering unobligated balance of $3,084,100,000. The unobligated funds are itemized by year in the following table:

Unobligated funds 10 years

	In thousands
June 30, 1956, unobligated funds	$401,400
June 30, 1957, unobligated funds	814,400
June 30, 1958, unobligated funds	88,400
June 30, 1959, unobligated funds	94,400
June 30, 1960, unobligated funds	127,000
June 30, 1961, unobligated funds	758,000
June 30, 1962, unobligated funds	163,400
June 30, 1963, unobligated funds	419,100
June 30, 1964, unobligated funds	59,600
June 30, 1965, unobligated funds	158,400
Total amount unobligated 10 years	3,084,100

Never before has there been as great an aggregate reduction in the appropriations, below estimates, for any program over a period of 10 years as for foreign aid. Even with these reductions, large amounts of unobligated funds were on hand at the end of each fiscal year during this period.

Call this criticism, if you will, but be sure you suggest that it is a constructive criticism. These people need to be protected against themselves. There are some who say that the authorization this year, and the budget request, are the lowest ever. This is an amazing statement. The authorization may be low, but this Committee is dealing with appropriations. We are not dealing with authorizations. And I should like to direct the attention of this Committee to the fact that four times during the past 10 years we have been able to reduce the authorization in excess of $1 billion.

I shall insert this verified table in the RECORD.

Total mutual security program regular annual appropriations, economic and military assistance, 10 years

Fiscal year	Budget estimate	Appropriation	Reduction below estimate	Percentage below budget estimate
1956	$3,266,641,750	$2,703,341,750	−$563,300,000	17.24
1957	4,859,975,000	3,766,570,000	−1,093,405,000	22.50
1958	3,386,860,000	2,768,760,000	−618,100,000	18.25
1959	3,950,092,500	3,298,092,500	−652,000,000	16.51
1960	4,429,995,000	3,225,813,000	−1,204,182,000	27.18
1961	4,275,000,000	3,716,350,000	−558,650,000	13.07
1962	4,775,500,000	3,914,600,000	−860,900,000	18.03
1963	4,961,300,000	3,928,900,000	−1,032,400,000	20.81
1964	4,525,325,000	3,000,000,000	−1,525,325,000	33.70
1965	3,516,700,000	3,250,000,000	−266,700,000	7.58
Total	41,947,389,250	33,572,427,250	−8,374,962,000	19.96

Now it has been said that in previous years the administration inflated their request so that the Congress could make its cuts and tell the people back home

what a great job they were doing. If they fooled you then, they will fool you now. Make no mistake about that.

Mr. Chairman, I do not want to consume too much time. We are only considering a $5 billion request and there are a lot of other things I would rather do. Many are concerned about the apparent lack of knowledge of the taxpayer about the magnitude of our total foreign aid assistance. The dollar figure most widely used and which I just mentioned is $3,400 million. In reality the total runs, if you put the 15 fragments together, to $7,512,467.

I shall explain them briefly.

The foreign assistance request, as amended, using the previous authorization, is $3,459,470,000.

The receipts and recoveries from previous credits amount to $209,770,000.

Military assistance advisory group—that is MAAG and not the regular military—amounts to $76 million.

The Export-Import Bank—long-term credits—amount to $900 million which does not include the amount I referred to earlier.

I am referring only to that part that can properly be interpreted as foreign aid. Public Law 480 is not our bill but it is foreign aid. We sold this program to the American people back during the Marshall plan to feed the starving people of Europe. Subsequently they all got fat, you understand, ladies and gentlemen, and they do not need any more food, but we keep giving them the same amount of money and have built up Public Law 480 agricultural commodities to the enormous figure of $1,658 million. If it is not foreign aid, then I must be a pretty foolish individual.

The Inter-American Development Bank — Latin America — amounts to $705,880,000.

The International Development Association—IDA—amounts to $104 million.

Certainly that is foreign aid.

The Peace Corps amounts to $115 million which is just like any other aid program. Some of it is spent overseas and some of it is spent here.

Contributions to international organizations amount to $96,953,000.

Permanent construction overseas—military—amounts to $85,986,000.

And this is only peanuts compared to the overall military expenditures. Think of these beautiful runways. We have not found a way to roll them up and bring them home, and neither can we bring home the brick buildings and the steel hangars that make permanent improvements on foreign soil.

I think of these improvements as foreign aid. When you put "military" on it, the bristles rise, as you well know.

Education—foreign and other students—amounts to $89,200,000.

The Ryukyu Islands that I mentioned a moment ago amounts to $14,733,000 and has only to do with the office of the High Commissioner and nothing to do with the military whatsoever—aid programs for the administration of the Ryukyu Islands and administrative expenses of the High Commissioner.

Migrants and refugees amounts to $7,575,000.

The Atomic Energy Commission overseas amounts to $5,900,000.

The Inter-American Highway—Latin America—it may be a good program and maybe you can use it in a few years—that amounts to $4 million. But it still is a foreign aid program.

Now, Mr. Chairman, the unexpended balance as of June 30, 1965, for the above-named programs and activities is estimated to be $10,605,738,000.

After we pass this bill, you will have in unexpended funds in the pipeline for the 15 agencies—the 15 bills—an amount in excess of $18 billion. They say it is needed. We are taking their word on it.

In an endeavor to be helpful and so that the facts as I understand them may be in the RECORD, may I say that in my candid opinion no program in the history of mankind has had as many paid lobbyists as the foreign aid program. It would take many, many pages, if not a book, to list all the names of individuals who are lobbying for or who are recipients of the program. Briefly stated, there are 66,867 individuals, including participants, on its payrolls. Our Government will be disbursing some type of foreign aid during fiscal year 1965 in 98 foreign countries. Would it not be in order to believe that foreign nationals or officials and foreign ambassadors from these 98 countries would be lobbying either directly or indirectly for foreign aid?

Inasmuch as universities, colleges, workshops, manufacturers, distributors, and others, are the recipients of funds appropriated for foreign aid, would they not be lobbying for it? Inasmuch as foreign aid is closely associated with the State Department, would it not be reasonable to expect that the State Department would use its powerful influence to lobby for foreign aid? Then does it not resolve itself around the fact that it is good for the country and for the program to have at least one outspoken critic who is willing to take whatever abuse may be heaped upon him to keep the program before the American people for what it is and not for what mythical claims are made as to its needs and what imaginary accomplishments are pointed out?

Mr. Chairman, before I conclude my remarks, I should like to point out the more serious part of the aid program. Each agency says, "Don't blame me. Some other agency is responsible. Go to them."

Each agency blames some other agency for the predicament in which we have gotten ourselves into with respect to our balance-of-payments situation and our gold reserve problems. Be that as it may, something brought about that situation. I am in a position to prove that no matter what the President or any other individual who has an open mind wishes to say about foreign aid—and I do not care what kind of statistics they produce—it can be established and proved beyond any doubt that it was foreign aid of some kind or other that got the American taxpayers into this mess.

Do Members realize that in the past 10 years our gold holdings have been reduced from $23,252 million down to only $13,859 million as of yesterday? Something brought that about.

Do Members realize that during those same years in which our gold reserves were reduced from $23 billion down to $13-plus billion, that those recipient countries accumulated dollars so far in excess of their needs that their holdings of dollars rose from $10,540,100,000 in 1950 up to $27,807 million on December 31, 1964?

All of us know that those are short-term demands on our gold. Every one of those recipient nations are foreign countries that, in most part, own those credits and therefore could demand our gold.

How about our balance-of-payments situation? We have had a deficit for 15 years—1950 to 1965, inclusive—of $29,956 million. How did those people build up such tremendous debts against us? How did they build up those claims against us if it were not that we were giving them more aid, or they were accumulating more aid than they needed to deal in commerce?

MARCH 15, 1965.

To Whom It May Concern:

Gold holdings (free world countries)

	In thousands
U.S. gold holdings on Dec. 31, 1952	$23,252,000
U.S. gold outflow to foreign countries, 1952 through 1964	—7,864,000
U.S. gold holdings on Dec. 31, 1964, reduced to	15,388,000
Gold holdings other countries,[1] Dec. 31, 1962	13,028,000
Gold holdings increase other countries, 1952 through 1964	11,829,000
Gold holdings other countries, Dec. 31, 1964, increased to	24,857,000

[1] Does not include Sino-Soviet bloc.

U.S. short-term dollar claims held by foreign countries (free world)

	In thousands
Foreign dollar holdings on Dec. 31, 1952	$10,546,100
Increase in foreign dollar holdings 1952 through 1964	17,260,900
Foreign dollar holdings on Dec. 31, 1964, increased to	27,807,000

U.S. balance-of-payments position

	In thousands
1950 net deficit	—$1,912,000
1951 net deficit	—578,000
1952 net deficit	—1,100,000
1953 net deficit	—2,100,000
1954 net deficit	—1,500,000
1955 net deficit	—1,100,000
1956 net deficit	—1,000,000
1957 (only credit in 15 years)	+500,000
1958 net deficit	—3,400,000
1959 net deficit	—3,700,000
1960 net deficit	—3,800,000
1961 net deficit	—2,400,000
1962 net deficit	—2,200,000
1963 net deficit	—2,660,000
1964 net deficit	—3,006,000
U.S. deficit, 1950 through 1964 inclusive	—29,956,000

Gross public debts

	In thousands
U.S. public debt on Dec. 31, 1964	$318,463,000
Other free world countries (latest available estimates)	232,628,000
U.S. debt exceeds debts of other free world countries by	85,835,000
U.S. debt exceeds all other countries of world by (estimate)	34,300,000

The above clearly indicates what the foreign aid program is doing to the U.S. gold reserves, balance-of-payments position and public debt. There was an operating deficit of $8,266 million for the fiscal year that ended June 30, 1964.

Sincerely yours,

OTTO E. PASSMAN,
Chairman, Foreign Operations Subcommittee on Appropriations.

While that was going on, perhaps it should be pointed out that the U.S. Federal debt exceeded the combined public debt of all other nations of the world put together.

Let us hit where it hurts, so that we can help these wonderful people in the department to do a better job.

We are told, "Oh, no; it is not the AID agency; it is some other agency."

Then we go to that agency and we are told, "Oh, no; it is the other agency, not us."

Around they go; and it is pretty hard to pin down the responsibility.

I shall insert in the RECORD a table which illustrates that point. It is not fair to use 1 year as a criterion. This committee, some 7 or 8 years ago, pointed out the way we were fattening up the recipients of foreign aid around the world on dollars. We said that sooner or later they would have dollars in excess of needs, and that they would have dollars so far in excess of their needs that they would start to buy our gold.

The experts said, "Fear not. We shall bring this thing under control before that happens."

Now let us deal realistically with the figures. Let them hurt. I did not pick them out of the thin air.

From 1958 to 1964, inclusive, a period of 7 years, 57 countries receiving military and/or economic assistance during that period covered in the table purchased $7,013,300,000 of our gold. In addition to the purchase of the $7,013,300,000 of our gold stocks, 14 of the above listed countries purchased an additional $769,100,000 of gold during the first quarter of the calendar year 1965. Data furnished to the committee by the Treasury Department covering most of the 57 countries listed in the preceding table indicates that those countries also increased short-term dollar holdings, official and private, from $9,730 million on December 31, 1957, to $14,541 million on December 31, 1964.

I shall insert the full table in the RECORD. I should like to move along rapidly, if I may.

GOLD OUTFLOW

The table below is an updating of the one included in the commerce report of last year and it reflects the gold purchases of 57 countries who have received military and/or economic assistance during the 7-year period covered by the table.

Net sales of U.S. gold to foreign aid program recipients

[In millions—Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	1963	1964	Total
Algeria						−$15.0		−$15.0
Argentina	+$67.2		−$50.0	−$90.0	+$85.0	−30.0		−17.8
Austria	−84.2	−$82.7	−1.1		−142.5	−32.1	−$55.4	−398.0
Belgium	−329.4	−38.5	−140.9	−144.4	−63.0		−40.1	−756.3
Burma			−3.8		−20.9			−24.7
Cambodia			−12.0	−3.1	−1.7	+3.2		−13.6
Cameroon Republic						−1.9		−1.9
Central African Republic						−.7		−.7
Ceylon		−7.5						−7.5
Chad						−.7		−.7
Chile	+3.0	−1.3	−2.0	−6.6			−2.3	−9.2
Congo (Léopoldville)						−3.1	+1.6	−1.5
Costa Rica				−2.3	−.5			−2.8
Cyprus				−2.0				−2.0
Dahomey						−.8		−.8
Denmark	−17.0	−15.0	−15.0	−35.0	+15.0			−67.0
Dominican Republic				−3.0			−2.6	−5.6
Ecuador					−3.2	−2.3		−5.5
Egypt			−7.5	−7.8	−1.2	−2.2	−10.8	−29.5
Country A		−4.7	−3.0				−5.0	−12.7
France		−265.7	−173.0		−459.1	−517.7	−405.1	−1,820.6
Gabon						−.7		−.7
Germany (West)			−33.8	−22.5			−225.0	−281.3
Ghana			−5.6					−5.6
Greece		−15.0	−47.0	−10.2	−19.1			−91.3
Guinea						−2.8		−2.8
Honduras			−.8					−.8
Indonesia		−11.0	−24.9					−35.9
Iran	−2.3		−.4	−16.1		−5.9		−24.7
Iraq			−29.8					−29.8
Israel		−4.4			−10.0	−7.0	−2.0	−23.4
Italy	−348.8			+100.0			+200.0	−48.8
Ivory Coast					−1.5			−1.5
Japan	−30.1	−157.4	−15.2					−202.7
Korea		−1.6						−1.6
Laos				−1.9				−1.9
Lebanon				−21.0	−32.1		−10.5	−63.6
Mauritania						−.8		−.8
Mexico		−30.0	−20.0			−4.0		−54.0
Morocco			−21.0					−21.0
Netherlands	−260.9	−29.9	−249.4	−24.9			−60.0	−625.1
Niger						−.8		−.8
Nigeria				−20.0				−20.0
Pakistan			−12.5					−12.5
Peru			−15.0	−5.0	−.6	−10.6		−31.2
Portugal	−20.0	−10.0						−31.0
Salvador							−2.2	−2.2
Saudi Arabia			−11.3	−47.5	−12.6			−71.4
Senegal						−1.7		−1.7
Somalia					−1.9			−1.9
Spain	+31.7		−113.7	−156.2	−146.1	−130.0	−32.0	−546.3
Syria			−2.1		−1.3	−.4	−3.1	−6.9
Tunisia			−.5		−.5	−.5		−1.5
Turkey			−6.1	−2.5	−1.1	+2.0	+1.3	−6.4
United Kingdom	−900.0	−350.0	−550.0	−305.7	−387.0	+329.3	+617.7	−1,545.7
Upper Volta						−.8		−.8
Yugoslavia		−1.5	−15.9		−1.5	−1.9	−2.5	−23.3
Net sales of gold	−1,890.8	−1,026.2	−1,583.3	−827.7	−1,207.4	−439.9	−38.0	−7,013.3

In addition to the purchase of $7,013,300,000 of U.S. gold stocks, 14 of the above-listed countries purchased an additional $769,100,000 of our gold during the first quarter of calendar year 1965.

Data furnished to the committee by the Treasury Department covering most of the 57 countries listed in the table above indicates that these countries also increased their short-term dollar holdings, official and private, from $9,730 million on December 31, 1957, to $14,541 million on December 31, 1964.

During the 7-year period the 57 countries listed in the above table received $14,434,900,000 in military and/or economic assistance from the United States. Therefore, the committee is of the opinion that our financial assistance to these countries enabled them to accumulate over $4,811 million in short-term dollar credits and to purchase over $7 billion of our gold.

INITIATION OF PROJECTS NOT PRESENTED TO CONGRESS

Testimony this year again confirmed the statement that the foreign aid program is presented to the Congress on an illustrative basis—that is, the agency can testify for funds for a project in one country and then use the funds for a different type of project in another country. The following excerpts from the printed hearings confirm the illustrative nature of the program:

On page 942:

Mr. PASSMAN. You could actually testify for funds for a road in Pakistan, and build a brick building in India, and still be within the law, could you not?

Mr. MACOMBER. That is correct.

Mr. PASSMAN. Thank you, sir.

I have surprised one of our new members. I should have brought that fact up earlier. This is all illustrative, is it not?

Mr. MACOMBER. That is right; but it is our plan for going ahead.

Mr. PASSMAN. I know, but it is an illustrative program?

Mr. MACOMBER. It is illustrative.

On page 1130:

Mr. PASSMAN. I believe we agreed earlier that all these programs are illustrative.

Mr. POATS. That is right.

Mr. PASSMAN. Legally you could testify for projects for one country and conceivably

allocate part of the funds, if not all of them, for projects in another country.

Mr. POATS. Legally, yes. We of course try to avoid this.

On page 1253:

Mr. PASSMAN. In other words, putting it accurately, this money is appropriated on an illustrative basis?

Mr. ROGERS. Yes, we used that word last year.

Mr. PASSMAN. You would buy that again?

Mr. ROGERS. Yes.

Mr. PASSMAN. You could under the law testify for a building and loan bank in Guatemala and build a mountain resort with that money in Brazil if it qualified, could you not?

Mr. ROGERS. Yes, sir.

On page 1442:

Mr. PASSMAN. What you are doing is asking for a complete blank check to do whatever you want to when you want to, where you want to, how you want to, and the legislation is just that broad to permit you to act that way.

You could actually, under the legislation, ask for money for a highway in the Congo and build a summer resort over on the Ivory Coast?

Mr. HUTCHINSON. I could, sir, but I am trying to give you the fullest information that I have.

This flexibility as to the use of appropriated funds is a primary factor in the ability of the Agency to initiate projects that have never been presented to the Congress—even on an illustrative basis—and is cause of concern to the committee. It is the opinion of the committee that very few, if any, of these projects are of such vital importance to our national interest that the Agency must start them without first presenting them to the Congress. The following table indicates the extent and cost of this practice in the past 3 years:

Project initiation	Number of unjustified project	First year cost	Estimated cost to complete
Fiscal year 1963	82	$17,753,000	$50,905,000
Fiscal year 1964	60	7,202,000	21,967,000
Fiscal year 1965	83	14,302,000	44,625,000

A review of the titles of the projects started in fiscal year 1965—see pages 1051, 1204, and 1439 of the printed hearings—does not disclose any project that is so vital to the U.S. national interest that it had to be started prior to presentation to Congress.

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

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

Mr. GROSS. What did the gentleman say the loss of gold was for the first 7 months of this year? I have a figure of $1.502 billion.

Mr. PASSMAN. Whatever figure I gave came from the Department. I will have to look it up. It was $7 billion plus.

Mr. GROSS. I mean for the first 7 months of this year.

Mr. PASSMAN. I only used 3 months. I do not use figures until the people downtown initial them. If they ever get me on thin ice they will push me through and I will freeze to death.

Mr. Chairman, this is of great importance to the committee. I know that some people enjoy great prestige downtown. I would like that, too. When I first came to the Congress, when I would get a call from the White House I would drool like a baby who swallowed its nipple. I just thought that was the greatest thing that ever happened. In recent years, though I am always pleased to get a call, sometimes I am too busy to go.

We have a great President. He told me one time that he did not know anything about the aid program and he said, "You know all about it." I am taking him at his word. He kind of got my ego up a bit. I do not think it is bad to quote him, because that is what he said.

Now let us find out whether the people who administer this program know anything about what it is accomplishing and how much trouble we are actually getting into with our friends because of the aid program.

For years the committee has listened to statements by witnesses that the aid program has helped to develop markets for our exports. This year is no exception, as evidenced by the following statement made by Secretary Rusk:

The committee should also bear in mind that foreign aid often opens the way for U.S. trade.

* * * * *

There are substantial future markets in the developing nations. As development picks up momentum, the peoples of these nations will be able to buy more from us and from other countries. The less developed countries are determined to grow—to buy more and to sell more. The United States can reasonably expect to get its fair share of these expanding markets.

What did Mr. Bell say? Mr. Bell said, in reply to a question:

Yes, ma'am, we will do that.

I suppose he is answering the lady. I do not think he would refer to me and say "yes, ma'am."

As you know, the figures will show that the typical experience is that the commercial exports are rising and they not only rise where the aid has been successful in giving economies stimulation, but this takes place during the process; in Latin America, for example, over the last 3 or 4 years, our aid has been rising and so have our commercial exports.

We are excluding shipments against the foreign aid program, using only U.S. commercial trade balances.

U.S. COMMERCIAL TRADE BALANCE WITH AID-RECIPIENT COUNTRIES

For years, the committee has listened to statements by witnesses that the aid program helps develop markets for our exports. This year is no exception, as evidenced by the following statements:

Secretary RUSK. The committee should also bear in mind that foreign aid often opens the way for U.S. trade * * *.

There are substantial future markets in the developing nations. As development picks up momentum, the peoples of these nations will be able to buy more from us and from other countries. The less developed countries are determined to grow—to buy more and to sell more. The United States can reasonably expect to get its fair share of these expanding markets. In addition, as these economies grow, there will be an increase in returns on growing American private investment in the less developed areas. Thus, foreign aid is a minor adverse factor in the current balance-of-payments problems; it is a strong positive factor over the long run.

Mr. Bell, the Administrator for AID, stated:

Yes, ma'am, we will do that. As you know, the figures will show that the typical experience is that the commercial exports are rising and they not only rise where the aid has been successful in giving economies stimulation, but this takes place during the process; in Latin America, for example, over the last 3 or 4 years, our aid has been rising and so have our commercial exports. (See table on top half of page 576 of hearings.)

I requested AID to furnish data on U.S. exports and imports to aid-recipient countries and additional data as to the amount of economic assistance-financed exports to the same countries. The committee has converted these data into a worldwide graph and four regional graphs which portray our commercial trade balance which is the net of U.S. exports—excluding economic assistance-financed exports and U.S. imports. The committee is of the opinion that such a presentation of the data is more meaningful in that it presents a more true picture of our world trade position since it excludes the economic assistance-financed export data.

It is clearly obvious from the first graph below that our commercial trade balance with aid-recipient countries has dropped sharply since 1960 and, of the four regional graphs, the only area that seems to indicate a rising trend is the Far East—excluding Japan—where the commercial trade balance has increased from minus $209 million in 1959 up to plus $7 million in 1963. The Latin America commercial trade balance alarms me as our imports from Latin America exceeded our exports by $159 million when we started the Alliance for Progress program in 1960. In 1963 our imports from Latin America exceeded our exports by $670 million. It is just the reverse of the claims made by the witnesses for the foreign aid program.

Inasmuch as we have been extending aid for many years—some of the countries included in the above data have been in the program since the Marshall plan era—it would appear, if credence can be placed in the statements of the various witnesses that have appeared before the committee that foreign aid often opens the way for U.S. trade, that our commercial trade balance should be on a rising trend. Instead our commercial trade balance is on a very significant downward trend.

What are the facts? Are we not entitled to the facts? Are these not serious questions?

We started the Alliance for Progress program in 1957. It is clearly obvious, from the first graph below, that our commercial balance with the aid recipient countries has dropped sharply since 1960. On the four regional graphs, the only area which seems to indicate a rising trend is the Far East, excluding Japan, where the commercial trade balance increased from $209 million in 1959 to a deficit $7 million plus in 1963.

Let us consider Latin America. The Latin America commercial trade balance alarms me, as our imports from Latin America exceeded our exports by $159 million when we started the Alliance for Progress program in 1960. In 1963, our imports from Latin America exceeded our exports by $670 million. It is just the reverse of the claims made by the witnesses for the foreign aid program.

So that I may conclude briefly, Mr. Chairman, I will insert these graphs in the RECORD and merely say that the commercial trade balances on a worldwide basis show, dealing with the recipients, that in 1960 we imported $267 million more than we exported, but in 1963 we imported $828 million more than we exported.

U.S. commercial trade balance with aid-recipient countries, 1859–63

[Excludes economic assistance-financed exports]

(Dollars in millions)

NOTE.—Graphs are based on data furnished by AID.

Worldwide:	
1959	−721
1960	−267
1961	−519
1962	−685
1963	−828
Africa:	
1959	−73
1960	−93
1961	−125
1962	−62
1963	−99
Far East (excluding Japan):	
1959	−209
1960	−143
1961	−9
1962	−71
1963	+7
Latin America:	
1959	−388
1960	−159
1961	−372
1962	−634
1963	−670
Near East and South Asia:	
1959	−51
1960	+128
1961	−13
1962	+82
1963	−66

If you would go to the record and go to the hearings and go to the facts, you would know that these countries are taking either the AID money we give them or the money that they acquire from their exports to buy from our competitors. I could put reams of information in the RECORD on that.

Now, Mr. Chairman, the myth of the 85 percent story. That is the biggest myth ever created by the mind of man. the money is spent here in America." Sure it is. In fact, about 93 percent of it is spent in America. But what is the story on this 85 percent? You pass this appropriation bill, you credit your X number of nations downtown the amount that they are going to get, and they start issuing their requisitions either for services or for goods, but when they receive those services and those goods and when the ships go to sea, the invoices are sent down to the U.S. Treasury to be paid out of the taxpayer's till. These people forget to tell you that part of it. So if they can prove that is good and correct, to appropriate money to give to foreign nations by which they can requisition goods and services, if that is good, then let us triple our foreign aid program and really have some prosperity here. You know and I know that the record is replete with facts that a great majority of these nations would buy some of what we are giving them if we did not give it to them free. Why do we not just come clean with the people? If it is good, then I want to recommend $15 billion next year so we will be so prosperous that we just will not recognize each other around here. You know and I know that is a myth. Repeating, if I may, the poor, overburdened taxpayer picks up the invoice, when the goods go out, through the U.S. Treasury. Some of them buy that as being good. So far as I am concerned, it is not good. Trade made this Nation great, and we are getting ourselves so far out of the world markets with our generosity and with giving people our goods and services that they normally spend their dollars for, that we are just not going to be in it any more. May I firm it up this way: if that is not true—if that is not true—then how did the recipient nations accumulate sufficient dollars to reduce our gold holdings from $23 billion plus to $13 billion plus? If it is not true, then how did the recipient nations manage to build up their short-term claims against the United States from $10 billion to $29 billion in a brief span of 11 years? I do not know of any way, Mr. Chairman, to defend this bill, to help this bill, to help the people who administer it, without pointing out the facts as I find them in the hearings.

I believe if you will refer to the hearings, the things I have said are more fully documented there than they are in the manner I have given them to you today.

I must say this, also. Inasmuch as you have so many people lobbying for the foreign aid program and so many people who are defending the foreign aid program and so many people who are on the payroll of the foreign aid program and so many people who are the recipients of the taxpayers' checks from the U.S. Treasury, if time should ever permit and if I should hold my job and if the committee will put up the money, I am going to endeavor to get out a book on it. Of course, AID gets out a new book every other week you understand, showing the great accomplishments of this program, which is just as mythical as anything you have ever read. However, I want to get out a book showing the number of lobbyists. I may have to block them in by nation, because in all probability, directly or indirectly, you may have 200,000 They say, "Do not worry—85 percent of people lobbying for this bill.

I have not met 10 people in the past 10 years who are lobbying against it. That is what frightens me and I think it should frighten any person. All of the evidence, all of the time taken is on the other side of the table. These people spend 365 days a year, less holidays, thinking up ways to spend money and coming up with fancy names for these programs, such as the Peace Corps.

Why did not they call it the juvenile technical aid program, or, if they wanted to, the young men's technical aid program? I could have joined them on that basis.

There is the food for peace program—$1,658 million. If you think that it is food for peace, you had better talk to Sukarno and Nasser and see whether it is food for peace.

There is the title "Economic Aid." They come up with some very highfalutin titles—"Defense Support." Now, that is economic aid. They know that if you get "defense" somewhere in there, you can get it through. There is the program "Support Assistance." Again you think that this is something to support an army. All you have to do is to have a few people in uniform and you qualify for this type of aid.

Mr. Chairman, as I conclude, let me talk about Latin America. You cannot help Latin America by giving them more aid than they can absorb. I am as much for the Latin American program as is any Member of this House. But I think you can spoil an individual, whether juvenile or adult, by giving him more to spend than he actually needs. You know and I know that the program is not succeeding. We regret it. It can succeed, it must succeed. But do you realize that Latin America can draw out of 16 spigots of foreign aid?

In this bill before us for this year there is for Latin America in excess of $1 billion. I want to say for the record that as of June 30, 1965, there were, from all spigots, $2,760,100 in unexpended funds to the credit of Latin America. I think we are giving them more than they can utilize, notwithstanding statements to the contrary.

Mr. SHRIVER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the foreign assistance appropriation bill under consideration today consists of three titles. Title I appropriates for new spending $3,285 million.

Title II appropriates $716,453,000. The other title is a limitation of approximately $1,190 million for the Export-Import Bank.

As the chairman, the gentleman from Louisiana, said a moment ago, actually $5,191,625,000 is in this bill. Many Members of Congress and people in the country think of foreign aid as the $3.3 billion included in title I only. Actually approximately $7.5 billion has been requested this year for foreign assistance purposes.

Not included in this bill are funds for Public Law 480, commonly referred to as food for peace, in the approximate amount of $1.7 billion. Not included are contributions to international organizations in the amount of $97 million; to permanent military construction overseas $86 million; education of foreign students about $69 million. And many other items are not included.

Then, too, most people do not realize how much is unobligated, or obligated funds from prior years' appropriations.

This is estimated to be in excess of $10 billion and is sometimes referred to as the pipeline.

If no funds were appropriated this year for foreign aid there would still be this pipeline of about $10 billion available for various spigots of foreign aid.

Mr. Chairman, many of us in the 89th Congress sincerely believe that a further reduction should be made in the foreign aid program. We contend that reductions should be made for several reasons.

First. Our commercial trade balance with aid-recipient countries has dropped sharply from 1960. Consequently, our so-called balance of payments is in need of correction.

Mr. Chairman, we have heard a great deal about the gold outflow in this connection. It is the opinion of most of the minority that there is a definite relationship between the gold outflow and our program of spending in foreign countries. The flow of gold from this country should not increase as it has in the past several years. This outflow of gold to those who have received our foreign aid funds has increased in the first quarter of this year, 1965, by the figure to which the gentleman from Louisiana [Mr. PASSMAN] referred a little while ago of over three-fourths of a billion dollars.

Mr. Chairman, further aid fund reductions should now be made for the further reason that this 89th Congress has passed many domestic spending bills which will cost the taxpayers of this country billions of dollars.

Finally, Mr. Chairman, now is the time to tighten up the belt of foreign aid because of the demands for increased defense spending to help the Vietnamese in their struggle against communism.

Mr. Chairman, some experts say this war in southeast Asia will require U.S. spending of from $5 to $12 billion, and not too far distant in the future.

Mr. Chairman, the House of Representatives will soon act upon an increase for the Department of Defense for the Vietnam conflict in the amount of some $1.7 billion. It should be pointed out that the Republican members of the Committee on Appropriations are not taking issue with the entire foreign assistance bill.

There is and there has been bipartisan agreement in the amounts requested for many portions, a number of the spigots referred to by the chairman a little while ago.

There is bipartisan agreement, for example, in the amounts requested for the Peace Corps, for Public Law 480, food for peace, for the Export-Import Bank, for the Inter-American Development Bank, for Latin America, and the International Development Association, for military construction overseas, for migrants and refugees, and a number of other items.

But we do contend, Mr. Chairman, that the development loans and grants to foreign governments are areas for greater reductions.

Mr. Chairman, the House committee reduced the asking in a $3.4 billion bill by a paltry $75 million, a mighty small reduction in this over $5 billion spending bill.

Without hurting the program at all, greater reductions at this time are not only desirable but essential to maintain the strength and the security of our country.

In our minority report, signed by 14 of the 16 Republican members of the Appropriations Committee, the minority has set out various reasons for reduction and changes in the foreign assistance program. I do not intend in this discussion and presentation at the moment to restate or reargue all of the reasons that were given in the minority views for reducing this year's appropriation.

I do, however, want to emphasize two points of importance to the strength of our country.

First. I know you will remember that the majority of this Congress has passed many enlargements of old Federal programs and has acted upon many new programs, requiring several billions of additional tax dollars.

Let me remind you of some of the spending programs we have acted on at this session of the 89th Congress.

We have had the Appalachian Regional Development Act, calling for some $1.1 billion; the Inter-American Development Bank, which I referred to previously, and the chairman did also, in the amount of $750 million. The elementary and secondary education bill calling for $6.7 billion; the Manpower Act of 1965, $454 million; International Monetary Fund, $1,031 million; river basin projects, $944 million; Area Redevelopment Act, 2 months' extensions, $12 million; Small Business Act revolving fund increased, $120 million; community mental health centers amendments, $385,500,000; the Missouri River Basin projects, Garrison Unit, $207 million; community health services, $117 million; Public Health Service extension, $280 million; Housing and Urban Development Act calling for $8,238 million; increase of military base pay, $991 million; Public Works and Economic Development Act, $3,325 million; social security amendments over $6 billion in increased tax funds.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SHRIVER. I yield to the gentleman from Illinois.

Mr. FINDLEY. I am glad the gentleman has called attention to these other aid-type Federal programs that have been authorized this year. I noted a list in the committee report. I would like to call the gentleman's attention to the Sugar Act, which is not included in this listing but which actually involves a substantial amount of foreign aid. We have a proposed 5-year extension of the Sugar Act before Committee on Agriculture at this time. The estimate of the foreign aid component of the Sugar Act is over $200 million a year. So here is a very substantial item of foreign aid that should be added to the list.

Mr. DAVIS of Wisconsin. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The chair will count. [After counting.] Eighty-one Members are present, not a quorum.

The Clerk will call the roll.

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

[Roll No. 267]

Adair	Griffiths	Pirnie
Andrews, George W.	Hanna	Poage
Ashbrook	Harsha	Powell
Baring	Hawkins	Reifel
Berry	Hébert	Resnick
Bolton	Holifield	Roncalio
Bonner	Hungate	Roosevelt
Brademas	Jones, Mo.	Rostenkowski
Bray	Kee	Ryan
Cameron	Kornegay	Saylor
Chelf	Landrum	Senner
Clawson, Del	Lindsay	Sisk
Craley	McClory	Springer
Daddario	MacGregor	Teague, Tex.
de la Garza	Martin, Ala.	Thomas
Diggs	Mathias	Toll
Farnsley	May	Wilson, Charles H.
Fuqua	Morton	Wright
	Pepper	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 10871, and finding itself without a quorum, he had directed the roll to be called, when 373 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. SHRIVER. Mr. Chairman, prior to the quorum call I had yielded briefly to the gentleman from Illinois [Mr. FINDLEY] and he had called attention to the sugar bill, another form of foreign aid, requiring some $200 million. I also did not mention the International Coffee Agreement subsidies and other items. At that time I was listing the major authorizing legislation which had been passed at this 1st session of the 89th Congress. I listed the major authorizing legislation that has been passed upon and enacted at this 89th Congress, 1st session, which amounts to more than $31 billion of new spending.

Mr. Chairman, the list does not include authorizing legislation necessary annually for military procurement, for the Atomic Energy Commission, for the National Aeronautics and Space Administration, and, of course, does not include the foreign aid authorization bill for which we are making appropriations today.

Surely, Mr. Chairman, with these new domestic programs requiring billions of new money, this House will feel that the very small $75 million reduction as recommended by the Committee on Appropriations is grossly inadequate at a time when these new programs will require so much additional funding.

Mr. Chairman, the second point I want to emphasize is that our Nation is involved in a costly and expensive war in southeast Asia. We are attempting to help the South Vietnamese in their struggle against the advancement of communism.

Not long ago, Mr. Chairman, this House voted for a supplemental defense appropriation of $700 million and the other body has already voted and we will have it before us, another $1.7 billion for defense in connection with Vietnam.

Mr. Chairman, the weeks, the months, and we are told possibly years, have the

strong possibility of many billions more for that struggle in Vietnam and in southeast Asia.

So why not effect some economies now and support reductions in the bill before us?

Now, Mr. Chairman, where can reductions be made without crippling or harming our foreign commitments and our foreign policy? I submit to the members of the Committee there are several places in this bill where economies can be effected and where reductions can be made. I believe it is not a barebones bill. Certainly, the gentleman from Louisiana a little while ago emphasized the point that this is not a barebones bill by any means.

I am reading from the conference report on the foreign aid authorization bill recently signed by the President.

Section 205: The President may make available, in addition to any other funds available for such purposes, on such terms and conditions as he determines, not to exceed 15 per centum of the funds made available for this title to the International Development Association, the International Bank for Reconstruction and Development, or the International Finance Corporation for use pursuant to the laws governing United States participation in such institutions.

In other words, in the authorizing bill for foreign aid passed not long ago and recently signed, the administration, the executive department, asked for and received authority to transfer 15 percent of the Development Loan Fund to the International Development Association or to the World Bank. Inasmuch as it is apparently thought by those administering the economic assistance program that 15 percent of the development loan funds of this bill, the bill we are now debating, could be transferred, why not reduce the development loans by 15 percent?

The request was made by the executive branch that this policy be stated in the conference report on the foreign aid authorization bill. Heretofore it was 10 percent. This would amount to $100 million of possible reduction which could be made in this bill without destroying the effectiveness of foreign aid. There is adequate funding now in the World Bank and the International Development Association.

I submit there was $91,295,000 of unexpected carryover of development funds reflected in the agency figures. These two items I mentioned would amount to $192,575,750.

Then under the international organizations and programs there is an increase over last year's appropriation of $10,482,600. For development loans for Alliance of Progress there is an increase of $20,125,000, with an unexpected carryover of $29,686,000, making a total of $49 million, approximately $50 million. These are items where reductions could be effected without hurting or crippling the program.

I would be remiss if I did not refer to mismanagement and misdirection relating to the assistance program. Every year when we are debating this bill and the authorization bill we hear of gross errors made in the administration of such a vast and complex program. We hear of extravagance, of waste, of inefficiency, and occasionally corruption in the program. All too frequently our tax money has gone to further ideologies alien to our concept of the freedom of man. I will mention but a couple of instances from our hearings. Going into our hearings of this year and prior hearings you will find many instances.

On March 19 of this year the Comptroller General told the Senate Foreign Relations Committee:

In a recent review of economic assistance furnished to the Republic of the Philippines we observed that about $54 million in grant aid assistance for development projects had been furnished which substantially exceeded Philippine capability to effectively absorb, maintain, and utilize with the limited country funds allocated for this purpose. We found as a result the project did not achieve the economic development benefits that could have been reasonably expected had adequate levels of support been made available by the Philippine Government.

Then the Comptroller General suggested that the committee might consider enactment of legislation which would require appropriate officials of the Department of State and the Agency for International Development to certify that the recipient country has sufficient available resources to devote toward the proposed programs to assure that they are carried out effectively.

For example, a shipping pier was not completed because of lack of cement to be provided by the Philippine Government. In the case of wells, we furnished well casing and drill rigs. It was up to the Philippine Government to provide maintenance and operations people. He also discussed dredges which ran into several millions of dollars which were operated at a very low rate of efficiency, although the harbors in the Philippines were clogging up with silt and the need to remove it was the primary purpose of providing the aid in the first place. The Director of the International Operations Division of GAO explained that the Philippine Congress had appropriated funds to support the U.S. contribution in good faith, but not enough revenue was ever collected to fund the appropriation.

The Assistant Administrator, Far East, Agency for International Development, in the hearings agreed that was a good catalog of all of the problems in the Philippines in recent years. He added, when I asked about other similar instances, that a loan had been made to the Central Bank of the Philippines for small loan relending to industrialists. He said and I quote:

Some of that money was not used year after year. We deobligated the funds. In this case the spread between the interest on our loan and the allowable interest on the Central Bank was not enough to make it attractive for them to handle. The businessmen themselves would prefer to pay a higher interest rate and avoid the rigmarole and the disclosure elements required in a public loan. So we deobligated some of that money and it reverted to the general accounts. In the same way we deobligated some money for the roads and bridges loan which the GAO mentioned. That loan was reduced.

In other words, they did not need the money badly enough to put up with the redtape. They would rather be independent, borrow the money privately even though the interest rate would be higher.

One of the Members of this House received a letter from a young man in the Peace Corps serving in Ecuador telling how the town of Bahia—a village of some 8,000 inhabitants, was an excellent farming region until the midfifties when the area was hit by severe dry weather. Since then the population of the village had been leaving the area. The rains returned last year and the harvests were nearly as abundant as prior to the drought.

U.S. AID has a project to provide technical assistance to underdeveloped countries to help set up small locally owned industries. Last year this village of Bahia was selected as a site for studies for the development of small industry. The natives were very hopeful as the town has a completely agricultural economic base and no industry. U.S. AID hired a university staff to make the study—and sent out not highly trained experts but a group of undergraduates. The natives were skeptical but accepted them and raised $60,000 to begin a corn products industry suggested by the AID people. I want to emphasize that on their own they raised $60,000 hopeful that the project would go forward. Late last fall came the word that the study was incomplete and that the industry suggested would fail if they tried it.

When I read the letter from this peace corpsman to the AID Administrator during the hearings on May 4, the committee was promised an explanation of this project. It was not received by the time the hearings went to press and a reply to the committee did not come until June 30—almost 2 months later.

Now if this is typical, then it is not like our own congressional offices where efficiency and promptness are required. That is another indication of the way the program operates and functions.

The foreign-aid programs need a major revamping and the bulk of the American people are in accord with this theory. I know many of you have sent out questionnaires and opinion surveys in an attempt to find out the thinking of your people concerning the foreign-aid program. I think it has been the same as many of the rest of us—75 percent and upward are in opposition to this kind of program.

After spending well over $100 billion, more tangible results should be observable.

Certainly the focus of our foreign aid program should be upon the use of our abundance of food for the unfortunate people of the world where starvation is all too prevalent. Certainly our aid program should be toward educational and technical programs to help the people of emerging nations to take their rightful place in the world. We also need to be mindful of the best interests of our own people and to maintain the strength and position of our finances and the strength of our beloved Nation.

Finally, I wish to express appreciation to the chairman of the subcommittee,

the gentleman from Louisiana [Mr. PASSMAN] who has been most courteous to the new members of the committee—in fact, to all members of the committee. It is our feeling that the chairman is dedicated in protecting the taxpayers' money.

Mr. PASSMAN. Mr. Chairman, will the distinguished gentleman yield?

Mr. SHRIVER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I have never known a member of the subcommittee who worked any longer, any harder, or who learned so much about such a complicated bill as this so quickly as has the distinguished gentleman from Kansas. He has cooperated with me, and he nas disagreed with me also at times.

I want the gentleman to know that it is a genuine pleasure to serve with him on the subcommittee and I look forward in the future to the gentleman's good counsel.

Mr. SHRIVER. I thank the gentleman from Louisiana. With that, I conclude.

Mr. WHITENER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Chairman, the remarks of the gentleman from Kansas [Mr. SHRIVER] on H.R. 10871 have been most helpful. These remarks, coupled with the minority views in the committee report to which the gentleman is a signatory, point out some of the things which should concern all of us as we consider appropriating more billions of dollars for foreign aid.

On numerous occasions I have expressed the view that our foreign economic aid programs have been misadventures for the Government of the United States. The transcript of the hearings conducted this year by the Appropriations Committee indicate little improvement in the administration of the economic aid program. I concur with those who have expressed the view that the American people should not be called upon to give further financial contributions to the program unless there is a tightening up of the administrative policies employed.

This bill provides for the expenditure of more than $2 billion during the fiscal year 1966 for economic aid alone. When added to the amounts already spent in the past years, the figure becomes astronomical. I agree with the view that has been expressed that if the American people knew the full extent of expenditures for foreign economic aid under the various legislative proposals that have been approved by the Congress there would be a public outcry which would result in a termination of further foreign economic aid programs.

For some time many of us have urged that economic aid and military aid to foreign nations be handled in separate legislation. If this were done the Committee on Armed Services would have its proper jurisdiction over military authorizations restored. I believe that this would result in a better division of authority than we presently have in that the Foreign Affairs Commitee could give its full attention to nonmilitary matters and the Armed Services Committee could give careful study to the military aspects of the program.

While I do not support the economic aid phase of this legislation, I would happily support the military assistance program. The $1.170 million appropriated in the bill now under consideration is not in my opinion exorbitant. I believe that we are making an investment in our own national security when we utilize these funds to assist free nations in improving their defense posture.

The one splendid example of the wisdom of our military assistance program is to be found in Taiwan. During the latter part of 1964 I had the privilege of seeing firsthand the effective way and manner in which our military assistance program is being carried on in that nation. In talking to our own military leaders there I was impressed with their evaluation of the high degree of cooperation that the Government of Taiwan is giving in strengthening the position of the free world in the Asian area. We have no better friends in the world than the free Chinese people. We find no greater military competence than is to be seen in the military forces of Taiwan.

There are other examples of the real value of our military assistance programs which are well known to the members of the House of Representatives. We must have a sound mutual defense program with friendly nations, and I believe that we have had that in a general way even though there have been cases where it appeared that our military assistance has not been in the interest of peaceful relations between nations.

These occasional conflicts between nations which have received military assistance are regrettable. It would be my hope that we could in the future avoid having American weapons given to one nation deployed against American weapons which that nation's adversary is then using. This would be the ideal situation. Unfortunately, so long as there are conflicts between nations we cannot avoid these isolated situations which bring such unhappy results.

Our Nation cannot stand alone in a world filled with conflict. We must remain strong, and that can best be done through intelligent military assistance programs with countries which are proven friends.

Mr. Chairman, while I cannot vote for this legislation, I felt impelled to make this statement to indicate that I do subscribe to the concept of military assistance with as much fervor as I have distaste for the economic aid program.

Mr. Chairman, I yield to the gentleman from North Dakota [Mr. ANDREWS] 5 minutes.

Mr. ANDREWS of North Dakota. Mr. Chairman, today we are considering a very important bill. For a long time foreign aid has been the whipping boy of those people in politics and perhaps those people who just do not understand the potentiality of a program of this type. Perhaps it has been the whipping boy because there are no constituents of Congressmen in foreign countries. Perhaps it has been a whipping boy because of maladministration and because of a wasteful use of the taxpayers' money.

Whatever the case, it is serious business when we blithely and indiscriminately attack a program which has as much potential as this program has.

Today we are in a war in this world. It is a cold war, perhaps, but nonetheless, it is a war. It is a war to win men's minds.

The minority views point out that the foreign aid bill could well be the most significant program for world peace of any program that will come before the Congress in this session. I think that we all must recognize that slogans are not enough. We have heard a great many fancy words in this Congress. We have heard about the poverty program. We have heard about the Great Society. We have heard about many other programs, such as rent-a-care, medicare, and foreign aid. But foreign aid, if it is going to succeed, must get through to and benefit those people in foreign countries who most need the help. I think we need a more practical approach. I think every student of foreign aid recognizes that we need private enterprise participation. Our program, particularly the AID part of it, is fortunate in having a man such as David Bell running the program. I do not think under any administration—Truman, Eisenhower, Kennedy, or now, President Johnson—have we had a more capable, more dedicated, more sensible administrator. A lot of the problems in the foreign aid field today are simple ones, ones that can be solved with just a little bit of commonsense. Mr. Bell and some of his workers are applying that commonsense.

Not too long ago one of the men working in AID with him found that for years we have been using milk powder to send to underprivileged countries. But we have been sending that milk powder to underprivileged countries before we treated it with vitamins, which we do before we fed it to our own children. That man, Dr. Phil Lee, happened to think, "Would it not be more sensible to treat this powder with vitamin enrichment as we do the milk powder fed to our own children and thus benefit those people who need it so much?"

He did so and it has made a tremendous impact for good on the children of the world. Unfortunately, they moved Dr. Lee to be Assistant Secretary of Health, Education, and Welfare, because they probably need talent of that type more where individual constituents in our own country are suffering under maladministration.

Those of us who come from agricultural areas in particular talk about food a lot. Many have said that today in the world there are 10,000 people a day who die someplace of malnutrition and starvation.

We must also recognize that the families in the newly emerging nations should be the true goal for American good will. They should be the target for our propaganda, if we wish to call it that. They should certainly be the recipients for the

American hope that is the Government we have and are so proud to claim our own. Our Government works, if for no other reason, because it is the one government under which the people not only are free but also have enough food to feed themselves.

What better way could we implement our foreign aid program than to let the people in the newly emerging nations know that America is the country which can and is willing to provide them food. The Communists cannot. Other nations cannot. We can.

We in our country spend more than $50 billion a year on armaments to defeat men in the field of war, but we spend little or nothing to win the minds of men in the fight for peace. For 4 percent of our budget for military hardware we could provide more than a billion additional bushels of wheat to bring the dietary level of the world's people more nearly to normal.

How can we appeal to a family in a newly emerging nation which may have three or four children slowly dying of malnutrition, when they hear that America is cutting back its farm production, because we feel food is not needed—that Public Law 480 is regarded as merely a way of throwing unwanted food surpluses down the drain.

It is time for us to be proud of what food we have and to present this to the world not as a giveaway of something we do not need but as a positive weapon for peace in a definite showing to the world of what America has to offer and what we can do.

We are in the situation of holding a handful of aces in one of the most important poker games in the history of the world. It would be a shame to lay this down and pick up a bunch of deuces.

Hand in hand with adequate diet, Mr. Chairman, goes education. We must concentrate on these two fields—food for the hungry, and education so that we can bring the people of the world up to realize their potential, up to realize the goal which can be theirs in a world where people work and live together.

These programs must be broadened and strengthened. The waste must be taken out of them so they can be truly responsive. It is about time that we in the Congress recognized we should not use foreign aid as a whipping boy but should seek to correct the inequities we all know exist and to build it stronger, because in the long run it could well be the best investment this Nation has ever made.

Mr. SHRIVER. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from New York.

Mr. ROBISON. It is a privilege for me to be able to join with the gentleman from Massachusetts, now in the well, in the additional views which appear in the committee report on this bill. I commend the gentleman for his leadership in helping prepare those views.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. I congratulate both the gentleman in the well, Mr. CONTE, and the gentleman from New York [Mr. ROBISON] on the excellence of their views in the committee report. I wish to associate myself with them, with the exception, of course, of the commendatory remarks they make about the 80th Congress, and I leave those to their conscience. That does not mean, however, that I do not agree with the laudatory remarks the gentlemen made in praise of former Congressman Herter and the late Senator Vandenberg. I believe those remarks are well taken.

I associate myself with the remarks of the gentlemen, because I believe they did a good job. It is unfortunate that the majority report on this bill did not go beyond a rather sketchy description of the various programs which are a part of the foreign aid bill. They neither discuss nor appraise the programs. As the gentleman from Louisiana, the chairman of the subcommittee, said, this is a barebones bill, to use his words, and a barebones report. It is most unfortunate that a report on as complex, as controversial and as important a bill as this one should be "barebones." It should be more informative. The Members of the House should be apprized in greater detail of the effectiveness of the operations of the programs.

I do not for 1 minute minimize the work of the Subcommittee on Foreign Aid. The subcommittee members are very able, very conscientious, very thorough. They spent endless time in the comprehensive hearings. Unfortunately, the report does not reflect the vast effort they expended. The majority report in great measure was only a bookkeeping report of past and proposed expenditures. I think that is unfortunate.

I am very much aware of the value of bookkeeping and accounting in connection with these expenditures. I am cognizant of the impact and sacrifice that the American taxpayer has made, of the huge sums of money that have gone into assistance to other countries. I suggest that although figures are important, accomplishment, achievement, national policy are important, too. Is our foreign policy being truly served by the tremendous expenditures being made?

I agree with the gentlemen from Massachusetts and New York in calling for a massive reappraisal of the programs, looking to selective aid rather than scattershot programs. I agree with the constructive suggestions they make. I agree with the gentlemen that there be additional emphasis on self-help and further mutual cooperation. Certainly, I agree that the military assistance programs should be reviewed immediately and reduced when assistance exceeds the needs of internal security as it does in many instances. I agree with the gentlemen on the need for a more creative utilization of foreign currencies. The enormous sums of counterpart funds which have been amassed must necessarily be a source of concern to the countries involved and inevitably a source of friction with us. The huge sums mounting in their treasuries which belong to us hang over their economies potentially like the sword of Damocles.

Finally, I think it is time our entire foreign policy was reviewed. Policies which were conceived and were appropriate more than a decade ago may not be adequate for the world today.

Mr. Chairman, it would appear that the time has come for another great debate to chart our future course.

I thank the gentleman from Massachusetts for yielding.

Mr. CONTE. Mr. Chairman, I thank the gentleman for his brief remarks.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman from Massachusetts yield at this point?

Mr. CONTE. I am about to run out of time.

Mr. ROONEY of New York. We shall yield you some more time.

Mr. CONTE. On that condition I yield to the gentleman.

Mr. ROONEY of New York. I should like to say that I thoroughly disagree with the distinguished gentleman from Illinois [Mr. YATES], the distinguished gentleman from Massachusetts, and, unexpectedly, with the distinguished gentleman from New York [Mr. ROBISON] because in their additional views set forth in House Report No. 955 the latter two gentlemen get off into an area concerning the use of foreign currencies that they are not at all, in the absolute sense, concerned with. These matters properly belong to the committee which is chairmaned by the gentleman presently speaking, the gentleman from New York, and which includes the distinguished ranking minority member of the committee, the gentleman from Ohio [Mr. Bow]. I like to think we know something about the use of these foreign currencies. I am sure I bespeak the thoughts of the distinguished gentleman from Ohio [Mr. Bow] who is present, as well as I do my own when I say that we do not at all agree with either of the three gentlemen I have mentioned or with the distinguished Mr. Chester Bowles, our Ambassador to India. We do not need people to think up how we can indiscriminately get rid of our foreign currencies that cost the American taxpayers good, hard American dollars. We ought to watch out for our foreign currencies.

Mr. CONTE. I thank the gentleman from New York for his comments. He does not have to tell me what committees has jurisdiction over this subject matter because I have been working on this project for years and I will put my knowledge on this subject against his any day in the week. I know it comes under the jurisdiction of the Committee on Appropriations, the Subcommittee on State, Justice, and Commerce.

In regard to indiscriminately getting rid of foreign currency which we own, I believe by putting these funds to good use

we can save a great deal of money for our taxpayers. I will have more to say in regard to this matter in my prepared speech. Mr. Chairman, I was one of those who went along with the gentleman from New York, who is interested in saving money for the taxpayers, in coming out with this bill. I did it this year and last year, and I think our minds and thoughts run parallel even though we might disagree in this small area here.

Mr. ROONEY of New York. That is the absolute fact. Those of us who feel as we do about foreign aid and its importance to the security and welfare of our country are very much indebted to the distinguished gentleman from Massachusetts for the valuable contributions that he has made over the years.

Of course, when the gentleman says he knows this matter does not belong in this Subcommittee on Foreign Operations, the gentlemen should not have incorporated their additional views in the report on this bill.

Mr. CONTE. Unfortunately, Mr. Chairman, we have already consumed 5 minutes and therefore cannot yield further. I am not a member of the gentleman's subcommittee and I could not incorporate this information in his committee report. The idea is tied in with our foreign aid program, it is part and parcel of foreign aid, even though that item comes under the jurisdiction of the committee headed by the gentleman from New York [Mr. ROONEY].

Mr. Chairman, we have come once again to that time annually devoted to deliberations on the letter and the spirit of our foreign aid program. Today, if we do not break the pattern of the past, our debate will be little more than an exchange of admonitions against foreign aid for accolades in its support. And when everyone has spoken his mind, while the letter of the program will have been virtually unchanged, the spirit will have been all but broken.

I have been an ardent advocate of foreign aid for as many years as it has been my privilege to serve in this body and on the important Appropriations Committee. Only once in those 7 years have I said "no" to an administration proposal in this area. I am proud of that record and stand ready to defend it against attack from any quarter. I am committed to the spirit of foreign aid. It is a vital arm of our foreign policy, and I give it my full support. However, I am neither blind nor indifferent to the letter of the program.

I see this year as a significant year for the program of assistance that we send around the world as the helping hand of the American people. We are at a crossroads for foreign aid. We have traveled a long road to the point where the mere continuation of what has been done in the past is insufficient to meet the problems of the future. We have reached the point where there must be a comprehensive reevaluation of the scope and character of our assistance efforts.

Because of this, a mere repetition of the hackneyed debate of the past serves no worthwhile purpose. We must seize the opportunity which is ours today. That opportunity is not to draw the rug out from under the proposed program for this fiscal year. It is to explore seriously new ideas for a new program of assistance, to plot the course of the new directions we would like to see it take, and to lay the groundwork, through this debate, for a new program for the future. The exploitation of the opportunity that we have, requires, more than at any time in the past, that the spirit of foreign aid be defended, rather than broken by barred, negative reactions to the letter of today's program.

Last year as we were involved in the debate on foreign aid, I called for suggestions for changes and improvements from you, my colleagues in the House. In remarks on the floor, I emphasized the need for greater congressional examination of the strengths, as well as the weaknesses, of foreign aid. There are any number of ways that we can influence the course of foreign aid. We must not be diverted by negativism which casts doubt on the program, undermines confidence in the concept, and breaks the spirit of the idea.

What are the strong points around which we can rally and build a new program? The greatest strength of the program is its heritage, out of which grew the drive and the spirit which even today, though much maligned, has not been defeated. I believe the majority of Americans support the basic, fundamental mission which we began in the forties with the Truman doctrine and the Marshall plan. A bipartisan effort in its inception, the able leadership of Republicans such as Christian Herter and Arthur Vandenberg gave the impetus to what all the world saw as a saving helping hand to fill the void left by war's devastation and havoc. Through the years new proposals have been made to meet new problems; foreign aid to the desolated, though developed, Europe in the post-World War II days was a very different thing from foreign aid to the developing countries of the world which has followed. But, we have not changed the basic, fundamental mission of our foreign aid, though we have adjusted its scope and character. These three go hand in glove and we cannot hope to improve the program through adjustments in its scope and character if we impede the underlying mission in doing so. I believe that our improvements must come from a positive political climate, emphasizing the strengths of the existing program.

This year Congress has received the smallest request for foreign assistance funds in the history of foreign aid. This is due, in part, to the fact that our assistance is becoming somewhat selective and concentrated. Ten years ago if you stuck a pin in a globe of the world, your chances were mighty good that you would hit a country receiving aid from us. At that time we were helping 100 countries. Today, we are aiding 72 countries with 95 percent of our aid going to only 31 of them. This is a strength of our foreign aid program. However, the idea of selectivity and concentration in our assistance efforts has by no means been fully implemented. A decrease from 100 countries to 72 countries still leaves us involved in too many countries. Even greater selectivity in assigning aid funds to a country, will enable the AID Administrators to evolve a more purposeful program aimed at more precise objectives. By concentrated and intensive efforts in a smaller number of countries having development potential, coupled with the will of the people to be partners in our assistance efforts, a sound and diversified economic base can be established in these countries. Then, in good time, this small number of countries can join with us, offering their help to their lesser developed neighbors and relieving the burdens that would otherwise be ours if we were forced to do the whole job by ourselves.

This would enable us to build an assistance program from a limited base that would ultimately reach all the developing nations of the world. It would free us from the burden under which we labor today of trying to do a little bit for everyone with the result that we do too little for anyone. It would, at the same time, place even less of an eventual burden upon this country. We could rely on a regional identification of interest and the concern of neighboring nations, one for the other, to enlist the assistance of those we had helped in the past to help others now.

Even today, other free world nations are joining with us. During 1963, commitments by other free world nations for economic development increased, while U.S. commitments declined to less than half the free world today. The nations we helped with the Truman doctrine and the Marshall plan are now helping others.

We have the basis for greater selectivity in this year's program and can take this as a starting point on which to build. We can insure, by increasing our selectivity in the number and in the choice of countries, that the maximum benefits will accrue from the expenditure of our aid dollars. Otherwise, we run the risk of losing the potential help that this select number of countries could provide in assisting other developing countries in the future because we have spread ourselves too thin with too many projects and too many programs in too many countries.

Ten years ago, two-thirds of all our aid was military assistance. The bulk of our aid is now directed toward long-range economic development. The ratio has, in fact, been reversed; two-thirds of our assistance is now economic. We are providing capital and technical assistance for long-term development and progress toward self-support; we are building a strong foundation in these countries upon which all other capabilities can be raised up. This, too, is a strength of our foreign aid program; this, too, can be improved upon. Approximately 72 percent of the total funds programed for military assistance will go to the 11 forward defense countries

bordering on the Soviet Union and Communist China. We are also continuing military assistance programs in Africa and in Latin America. With respect to the latter, I have long advocated a change in emphasis for our miliary assistance. I am not convinced that, in every instance, the funds, which have been programed for military assistance for the Latin American countries, have been applied toward their intended purpose. These funds could, however, well be an enabling factor for any Latin American country's buildup of military capabilities for external aggression. These funds may well have been applied in many of the coups that have taken place in Latin America.

The funds programed for military assistance have been decreasing through the years. However, in Latin America, the amount has been increasing and not knowing to what end it may be applied makes this an ominous increase. Because of this imponderable element of Latin American military assistance, I strongly recommend a regional military defense organization for the Latin American countries similar to the North Atlantic Treaty Organization. This would eliminate the necessary, but essentially uncontrolled, grants of military assistance to the individual Latin American countries. It would provide an identification of interest and purpose, common to all the Latin American countries, for the defense of Latin America.

Our military experts have agreed that it is essential that these nations come to the realization that the Communist threat affects all Latin American nations, not just a few. The successful resistance of any one country to this threat may well be dependent upon the combined efforts of all, singularly and forcefully brought to bear on the common foe. The establishment of a regional military organization would serve to unite these countries in an effort where they must depend upon one another.

While encouraging local private enterprise in the developing countries, our aid program continues to promote expanded private American investment in Asia, Africa and Latin America. Since 1961, there has been dramatic growth in programs available to American investors to give them incentive to put their capital and management skill to work in the underdeveloped nations. The justification for this year's program, which has been submitted to the Congress, has indicated the increased awareness of the AID administrators to the need for private initiative in our assistance efforts and the contributions which can he made by this private sector. This is a strength of our foreign assistance program; this is a strength that sorely needs shoring up, a concentration of effort and an expansion of scope.

We are a nation built upon individual initiative and private enterprise. We have, then, no better spokesmen for the freedom of choice and the economic advantages afforded by a Democratic society than these individuals. As a part of such a society, they have advanced to the point where they are now able to offer their cooperation to those in the developing countries eager to set out for themselves.

A recently completed study on the need for private initiative in our foreign assistance efforts, estimated that there is a $5 to $20 billion gap between the capital resources that go into the developing countries and the resources that the people of these countries need. These needed funds cannot come from the Federal Government in any one year. The enlistment of the vast resources of private enterprise would help to fill this gap and would insure the earlier accomplishment of the task we have set for ourselves in the developing nations.

A second area of need for private help in the developing countries is that of human resources. There can be no price tag put on such a commodity; it is measured only in terms of skills, technology, and understanding. Money alone cannot do the job of developing these countries. The prudent use of available funds is directly dependent upon the know-how of those in whose hands the funds are placed.

The call is for such diverse areas of expertise that only the entire private community can have the means to answer that call. Our universities, business enterprises, labor unions and professional societies are a vast and virtually untapped reservoir of capital, skills and human resources. These must be motivated and applied to assist the world's developing countries. I am not saying that the ultimate success or failure of our foreign assistance program is in the hands of private enterprise. I am saying that the means for accelerating our efforts, and the development of these countries, can be found in these private resources. We should make every reasonable effort to expand our program of incentives for private capital and human resource investment in the developing countries.

We must pick up the ball in other areas of the foreign aid program which are not strong points of the program now, but could serve as bulwarks of a new program.

Every effort should be made to utilize the U.S.-owned foreign currencies in the growing number of excess currency countries. The obstacles which have blocked past efforts to put these idle funds to work should be studied once again. Where the interests of both this and the excess currency country would be served by freeing the currencies from these obstacles, we should take appropriate action to do so.

The administration should make a more concerted effort to bring proposals for the use of these funds before the Congress. There is no excuse for a proposal, concerning a matter that has been with us for as long as these excess currencies, to be so ill-conceived and poorly drafted that it must be turned away by the Congress as indefinite.

Within the limitations that are applicable to these currencies today, there have been some exciting proposals for their use. In India, where our holding of excess currency is greater than in any other country, Ambassador Bowles has worked to free these funds for projects for that country. I have stressed again and again, year after year, to the witnesses who have appeared before the Foreign Operations Subcommittee, that every possibility for the use of our excess currencies be explored. The recent study on private initiative in foreign aid recommended a widening of the uses of these currencies to include a proposed program of incentives for private investments in the developing countries.

There are complicating factors to the freer use of excess currencies. But, at the same time, it has become increasingly complicated just to hold these funds as they grow with abandon. We are being criticized by the countries where the accumulation of these funds has gotten quite out of hand. They pose a definite threat to the internal financial and economic systems of those countries. It is, then, contrary to the interests of this country and the countries where these currencies are held to let them remain idle while projects which they could support go unfunded.

Within this hemisphere, our assistance efforts are falling far short of the immediate needs of the people of Latin America. The population of Latin America is growing faster than any other area of the world and the birthright of these new citizens of the world is too often hunger and hopelessness. As we look toward a new program of intensified efforts in a selected number of countries, one area of emphasis must be Latin America. We are only beginning to reap the benefits of the Alliance for Progress for the people of Latin America as we enter the fifth year of that program. I believe that in that short time it has become evident that the will of the people of Latin America is to grasp the helping hand which we extend to them.

Finally, our concern for a strengthened and effective new program should not overlook the needs of the adminstrators of that program right here in Washington. In colloquies with David Bell, a superbly competent Administrator, in his appearances before the foreign operations subcommittee, he has declared that the lack of a personnel authority specifically designed for aid is the No. 1 problem with which he is faced. He and his staff are responsible for the operation of an international business, but have been given no personnel guidelines to direct the most efficient operation of that business. AID is not an agency functioning only domestically, subject to the civil service guidelines, nor is it a foreign operation that should be directed according to the Foreign Service Reserve system. The quandary is certainly not resolved by applying both personnel authorities, which is what has been done, with results most akin to having the worst of both systems control. The unique requirements of the agency should be answered in legislation specifically drafted for that purpose.

I hope I have been able to redirect our thoughts and words for this year's debate to preclude a recurrence of what has become an annual debacle of the letter and the spirit of our foreign aid program and to prompt some positive, constructive thinking.

I am not advocating that we cast aside this year's program and rewrite it to conform to my thoughts or your thoughts. I support this year's program and the overall thrust of its objectives. We have seen steady improvement in our foreign assistance, whether you measure that improvement in terms of the amount of the appropriations request, in the number of countries to which our aid is going, or the balance between our successes abroad when measured against our failures.

We are not engaged in a hopeless mission. I believe that a serious and constructive reappraisal of the scope and character of that mission in the months ahead will enable us to formulate a new program directed to its successful completion.

It has been said that we are all children of the earth. If one of us is oppressed, we are all oppressed; if one hungers, everyone hungers; if someone's freedom is taken away, our freedom is less secure. Such is the call for assistance efforts. Because we are the leaders of the free world, that call goes out to us. Some would say it is a burden of power; others would say it is an opportunity. I have given you my argument. In the words of Samuel Johnson, a lion in controversy, "I am not obliged to find you an understanding."

Mr. ROBISON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. ROBISON. Mr. Chairman, my own remarks will be brief, since I am not a member of the subcommittee which dealt with this appropriation bill—H.R. 10871—the foreign assistance and related agencies appropriation bill for 1966.

I would, first, want to express my appreciation for the untiring effort made again this year by the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], in insuring that there has been a thorough and careful review of the activities carried out under the various programs covered by this bill, and of the budget requests for their continuation for 1 more year, and I would similarly wish to congratulate all the members of this subcommittee for their contributions in this regard.

Also, I believe special mention should be made of the work of the two new minority members on the subcommittee—the gentleman from Kansas [Mr. SHRIVER] and the gentleman from North Dakota [Mr. ANDREWS]—both of whom were given a most difficult assignment, indeed, but have carried out that assignment in a most commendable manner.

To them, we are all indebted for the useful and challenging minority views that are appended to the committee report. I think that much of what is said—and the questions that are asked—in their minority views, needed both to be said and to be asked, and I do not wish to have the fact that I did not join in those views leave the implication in anyone's mind that I have disassociated myself from them. To the contrary, I found much therein with which I can and do agree.

However, I also found that—in general terms—my own attitudes toward our various so-called foreign-assistance programs more closely paralleled those of the other minority member of the subcommittee, the gentleman from Massachusetts [Mr. CONTE], with whom I have joined in submitting the additional views which are also a part of the report now before you. We have sought, as the gentleman from Massachusetts has said, to be constructive in our criticism of these programs—where we have been critical—but I am sure that we both agree, and we hope a majority of the Members of this House will agree with us, that these programs must be continued at, or about at, the level as recommended in H.R. 10871, but that the Congress and the administration—working together—must continue, as they have been doing, to reevaluate and revise those programs, with ever more emphasis on the concept of "planned selectivity," as is mentioned in our additional views, with a greater emphasis on Latin America and concurrently a new look at military assistance programs for Latin America, and also with the need for establishing better methods for the use of those troubling excess foreign currencies as well as the ever-present need to find ways and means to enlist the help of private enterprise and private initiative in doing a job that needs, still, to be done.

In essence, it seems to me, our argument here again this year has boiled down to the question—as it always does—of how much, actually, should we agree to expend on these programs in the current fiscal year. On this point, all of us have differing ideas, although I suspect that those of us who, by our eventual votes, will express themselves as being in favor of some further reductions in the appropriation as recommended in the bill, have been looking more at past mistakes and waste in the administration of these programs, and with appropriate doubts—if not outright displeasure—over the more recent actions of certain nations who, either in the past or even still at present, have been recipients of our assistance, than they have at the successes that have been achieved, and the improvements in administration that are being made, however distressingly slow.

I thoroughly respect the views of those who feel that this bill still carries too much money, for it is not easy to determine how much is enough, or how much is too much in any such effort of this magnitude, or of this sometimes uncertain purpose.

I say this, because I confess to having had the same uncertainties—uncertainties that have been felt by the American people, many of whom have completely lost confidence in the eventual value of the overall program and have expressed that fact to us in no uncertain terms.

However, I believe it is up to this Congress to restore the confidence of the American people in this program—to make it, and its purpose, more carefully focused and therefore more clear to them, even as we attempt to clarify our own thinking about what we are trying to do—and why.

I am not at all sure that we in Congress can do this, but we most assuredly must try. Why? Well, perhaps the answer comes as clearly as from any other source in this excerpt from a Christian Science Monitor editorial of January 16, 1965:

> We repeat what we said in commenting on the state of the Union message, with all its artificial respiration for a nation in no immediate danger of drowning:
>
> "So long as some two billion human beings beyond America's borders have little hope of their own great society, neither the American people nor the American Government can safely or conscientiously concentrate too long or too closely on their own well-being and happiness."

There are also some thoughts that might be useful here, as contributed by Mr. A. N. Spanel, founder-chairman of the International Latex Corp., in one of his familiar, paid columns of comment on issues of the day, as carried this time in the Washington Post for February 19 of this year. Mr. Spanel, in referring to what he called a "new isolationism—rearing its head in the United States"—and I am sure we all know to what he refers—said this:

> Let those who make the vital decisions of this challenging time never forget that the overriding objective of world communism has been, and remains, to drive the United States to isolationism. "Yankee go home" has been the principal slogan of the Kremlin-Peiping axis—and it is an axis where their common hatred of the capitalist world is concerned.
>
> On both sides of the Iron Curtain we have witnessed systematic attacks, organized and led by Communists, against American embassies, libraries, property, and nationals. What is the purpose of this Red war of nerves? It is a continuing conspiracy to force Americans, in sheer disgust, to withdraw economic and military aid; to induce them to renounce their concern for the fate of freedom on this earth and retire in isolation to fortress America. Such a fortress makes no strategic sense under modern conditions, yet the temptation may become irresistible, when the provocations come from friends and allies.

Mr. Chairman, I believe Mr. Spanel's warning is appropriate to consider in the context of the decision we are again called upon to make—and it is largely along similar lines of reasoning that I have concluded that what we have come to call our foreign aid program must go on, and why I have also determined to support this bill as reported to us by the committee, while at the same time stressing the continuing need for reevaluation and reforms in the nature of those recommended to you by my distinguished colleague from Massachusetts [Mr. CONTE] and myself.

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington [Mrs. HANSEN].

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-seven Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 268]

Adair	Hanna	Pirnie
Andrews, George W.	Harsha	Poage
Ashbrook	Hawkins	Powell
Baring	Hébert	Purcell
Berry	Hungate	Reifel
Bolton	Jones, Mo.	Resnick
Bonner	Kee	Roncalio
Brademas	Kornegay	Roosevelt
Bray	Lindsay	Rostenkowski
Cameron	McClory	Ryan
Chelf	McDowell	Saylor
Clawson, Del	MacGregor	Scott
Craley	Machen	Sisk
Daddario	Martin, Ala.	Thomas
de la Garza	Martin, Nebr.	Toll
Farnsley	Mathias	Willis
Fuqua	May	Wilson, Charles H.
Griffiths	Nix	
	Pepper	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 10871, and finding itself without a quorum, he had directed the roll to be called, when 377 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose, the gentlewoman from Washington [Mrs. HANSEN], had been recognized for 25 minutes.

Mrs. HANSEN of Washington. Mr. Chairman, you have heard some very eloquent and distinguished speakers this afternoon that you have heard in the last 20 years, discussing the reasons for our foreign aid and discussing the ramifications of the program.

I want to say as a new member of the committee I have enjoyed extremely serving on the committee, and I express my appreciation on behalf of the new members to the chairman of the committee for his constant courtesy to those of us who are new.

Eloquent and able speakers for almost 20 years have addressed this House on our foreign aid. They have explained the reason it came into being, its philosophy and have leveled criticisms. No program before any legislative body in the world is immune to criticism nor should be, for out of constructive criticism better administration of any program emerges. However, I do want to say that the foreign assistance program is at this time one of the basic ingredients of the U.S. foreign policy. In the broadest possible terms our national goal here is to assist in training programs for a stable world of free and prospering nations. We support this goal realizing that our own security and well-being will be directly affected by what happens in Asia, Africa, Latin America.

The world has been steadily shrinking in size and nowhere is this more graphically illustrated than the other day when our Gemini spaceship and two astronauts spent 8 days traveling a distance of more than 4 million miles in less than 8 days.

As one of the world's wealthiest nations it has become one of our policies and a responsibility to share our abundance and particularly our abundance of know-how and technical training.

One of the great complexities of the total problem of world affairs has been the emergence of young nations into the full light of the 20th century and a competitive place within the family of nations already well established.

Compare, if you please, our own national emergence in an era of sailing ships and a frontier almost the width of the continent with that of today's nations only a few years away from tribal organizations emerging into the age of jet transportation and space development. Therefore, one of our major jobs in foreign affairs has been to try and assist these less developed areas; to help them to help themselves develop management skills for their economic and governmental potentials acknowledging the necessity for development within themselves the private sectors of their lives.

The recent termination of economic aid to Taiwan is evidence that success is obtainable.

In the course of our assistance we have received criticism and many manifestations of anger. This is not unlike the situation where parents are periodically upbraided by their children for parental deeds during childhood and adolescence. If any parent has ever escaped such a discussion with a young person, I should like to know them.

Long ago we recognized that like our own families people were people and we could expect this internationally as well as personally.

On June 18, 1953, Congressman SCOTT, of Pennsylvania, a Member of the now minority party and now a distinguished Member of the other body, made a statement in discussing our Mutual Security Act on the floor of this House:

> Ingratitude is not unusual in the world and neither is gratitude. I came here to speak not of gratitude, but of wise planning to extend the frontiers of the free people and to break down the walls which enslave.

This statement is as true today as it was 12 years ago.

As a new member of the committee, I would like to speak of some of the questions and problems which trouble many members of the subcommittee who do not pretend to be experts at all.

First. We would suggest and we did suggest during the committee hearings that there be a greater degree of knowledge on the part of the Washington office on our foreign aid on the scope, day-to-day activities, planning, management and goals of field operations. There were many times when the briefing of the Washington departmental groups appearing before us was not as knowledgeable as possible.

Second. Members of the committee, like myself often questioned the total impact on a country's own economic development when, in order to match our military aid, expenditures were made from their own very limited budget. For example, let us take a country of 3 or 4 or 5 million people with the average per capita income of that country in the range of approximately $300 per year and then note that they have committed $15 or $16 million as their particular share in a defense program.

The question naturally arises: Is this defense funding from their own meager incomes curtailing activities which are mandatory to the development of a stable economy and governmental system of their own with the necessary tax reforms, necessary programing for education, public health, housing, and job opportunities?

Third. The same thing can be true, if in order to secure loans, countries overcommit themselves in this field, for again many nations can be tempted into overcommitment, then, as repayment time nears, find that they are unable to, first, take economic steps necessary for their own development; and, second, at the same time repay these loans. Has the margin of ability here to pay become so narrow that it will push the sound and needed progress in fields so vital to their maintenance as a free nation out of existence?

Fourth. Members of the committee have viewed with great misgivings and disquietude long before the Pakistan-Indian war broke out the dual armament of neighboring nations engaged in controversy.

India and Pakistan are examples—and there are others. Although our arms were lent to prevent aggression by the Communists, how possible is it for us to be sure that they cannot, at the same time, use these armaments to begin holocausts where no end can safely be foretold?

Fifth. Members of the committee also saw the anachronism of placing advanced and up to date and even elite armaments and equipment in the hands of people who did not even know the use of safe drinking water. Ultramodern defense equipment against insufficient diets makes a strange paradox.

Sixth. We are thinly spread with aid in many many nations.

These are some of the controversial and disquieting problems that your new members of the committee talked about and we would urge that the administration undertake a careful analysis of each of these facets and other maintaining a continuing and careful vigilance over them.

On the positive side of foreign operations, I would like to say that there are signs of hope and there are places where a genuine satisfaction can be felt by the American people.

Seventh. In total national planning within areas perhaps better jobs are needed. For example, ports development are not giving maximum service without coordinated transportation and vice versa—wheat on docks.

In the first place, of those emerging nations which are part and parcel of this world of 1965 and since the date of the beginning of our foreign assistance, Cuba is the only nation which has become the captive of the Communist's Bamboo and Iron Curtain. Cuba received from fiscal year 1953 through fiscal year 1960, $2.8 million largely in technical assistance. I might ask the question here, "Would additional technical assistance raising the levels of this impoverished nation's

economy have helped to prevent this nation from becoming Communist?" Time alone will measure to what extent our foreign aid, and more than that, our sympathetic understanding of their problems have prevented their takeover in spite of criticism, ingratitude, and even the destruction of our flag and our Embassies which no American condones.

Again from the past: On June 18, 1953, Republican Congressman Vorys said:

> In underdeveloped countries poverty, disease, and ignorance breed communism, not because poor people, sick people, ignorant people go Communist, but because they are more easily taken over by Communist conspiracies, infiltration, and aggression.

On this positive side of the accomplishments you will find many documented achievements. For example, in our own committee hearings the question was asked if India, with its lack of food for the people of their own nation had sufficient tillable lands to accomplish this end. The answer was "Yes" and the technical know-how and assistance in the field of agriculture was improving this situation with some rapidity.

There has been much discussion among many people for many years about our engineering procedure in the field of highway building. I was pleased this year during hearings when I asked searching questions to have the replies indicating that new procedures have been established and that these procedures are identical with those used in funding our own U.S. system of highways. Adequate justification and plans are demanded; construction carefully examined; bonding required; and more important, when I asked the question, "Are you providing for repayment of these highways out of revenues set aside for such a purpose?" the answer was "Yes." These were necessary steps.

May I say here that I would like to commend Mr. David Bell, the Director of AID, for his intelligent work on behalf of establishing better managerial and administrative procedures in this wide, controversial field of AID.

I am going to turn my particular attention now to one of the most challenging fields in which we work—that of assistance to underdeveloped countries and assistance in helping themselves; to help them establish viable institutions, with trained people. This is probably the most significant aspect of AID's program. To assist underdeveloped countries to play a productive role in economic, social and political life and the barrage of demands facing the leaders of underdeveloped countries, for in these nations there is always a staggering surplus of unskilled and illiterate labor.

School systems were inadequate or those which existed featured or were patterned after models which emphasized education for the elite. Education for youth has always depended in any nation upon the stimulation of adults. Therefore, it is not only necessary to educate youth, but to provide for assistance in adult literacy programs.

Another major need is simple, down-to-earth training of persons responsible for their own government's management.

We know, in our own country, for example, that there was a time when a county engineer was anyone who could hold a compass and would not get lost in the woods and would plan a road that could be traveled at least 2 months of the year. Changes in this field have been immeasurable in our own Nation. Imagine, if you will, an emerging nation today confronted with the necessity, first, to establish a system of justice and courts; second, a system of administration with trained administrators in fields of auditing, tax management, planning, education, et cetera; third, the development of adequate, stable, parliamentary systems.

It is in this field of education that we undoubtedly could have done more, but where we have to date made creditable progress.

During the past 3 fiscal years, AID has provided some 210,000 classrooms for 6,720,000 pupils at the elementary and secondary levels and AID projects have contributed to the education of teachers and teacher-education programs.

In Nepal, teachers who have been graduated for AID assisted teacher-training colleges represent 50 percent of this year's corps of trained teachers. The cost of this program from 1954 to 1965 was $2,388,000 spent for teacher training and in-service training. Of this, $1,188,000 was in dollars and $1,200,000 in the equivalent Indian rupees.

And today, teachers in Iran trained in these schools represent 44 percent of Iranian teachers.

Ethiopian teachers trained in the AID assisted institutions constituted 30 percent of that Nation's total at a cost of $838,000 for 2,250 teachers and 232 teacher training classrooms.

In Korea, AID assisted teacher training constituted 29 percent of that country's teacher force at a total cost of $15,722,600 between the years of 1957 and 1961, of which $3,722,600 was in dollars in $12 million in local currency.

Two contracts were awarded to Washington University at St. Louis—$1,200,000 for technical assistance to Korea University and Yonsei University and to Minnesota University—$6,500,000 for technical assistance to the five graduate colleges at Seoul University.

In Afghanistan 25 percent of that country's corps has been AID-assisted with cumulative expenditures from November 1954 to June 30, 1965, of $6,710,804.

In Brazil, AID assisted in establishing a training center for training educational supervisors and teacher trainers. The total number of teachers who received in-service training in AID sponsored institutions during fiscal year 1963 through fiscal year 1965 was approximately 25,000 teachers. The total cost to AID from the initiation of the program in 1957 until its termination in 1965 was $1,657,000. Here AID's initial investment will be carried on by the Government of Brazil who has now assumed full responsibility for funding future activities.

In all of Latin America AID estimates that it has invested approximately $20 million in in-service training cumulative to fiscal year 1965.

I have before me a clipping from yesterday's Washington Post:

LATINS GO HOME TO PLANT U.S. FARM TECHNIQUES

(By William Payne)

Eighty-three South Americans who studied American farming techniques for 5 months are returning to their villages and communities determined to plant the peasant farmers of their countries squarely in the 20th century.

While in this country, the South Americans worked in farmer cooperatives and lived with farm families. They want to sow seeds of self-reliance among campesinos, the South American peasant farmers.

They were in Washington last week, sightseeing before going home.

Hernan Ramos, 25, of Chile, was most impressed with the independence of the American farmer.

"The American farmer does not wait for aid or expect to get it," he said. "The rural community believes in self-help. What we have to do is get our farmers to think like that."

Ramos was one of a group of Bolivians, Chileans, Colombians, Peruvians, and Venezuelans chosen by their communities and brought here by the National Farmers Union and the Agency for International Development.

They spent 5 months in Montana, Minnesota, Iowa, North and South Dakota, and Wisconsin studying farm and community organization, marketing and supply cooperatives and new methods of land tenure. Each participant spent 2 of those months living and working with an American farm family.

Women were included in the program for the first time this year. Three came from Chile and one from Peru.

Delfa Sanhuezo, an agriculture teacher in a rural Chilean school, wants to form more women's clubs in her country and to introduce more education for children in its rural communities.

The largest group came from Venezuela, which sent 21. Twenty came from Bolivia, 18 from Peru, 16 from Chile, and 8 from Colombia.

The grassroots program has covered more than 230 persons in its 3-year history. This year's rural leaders unanimously wanted the program continued and expanded.

As one Venezuelan said, "There is a great deal of pressure on the farmer by the Communists. They say that there is nothing a democracy has to teach them.

"If our people were to be able to come here to train and observe, they would able to build a barrier against communism."

The American farm families, from towns like Odessa, Minn., and Cadott, Wis., were swept up by the enthusiasm of the South Americans.

Dr. John M. Eklund, director of the project, said, "Our rural communities never before had much to do with foreign exchange, and this grassroots campesino program gives them a good opportunity."

National Farmers Union officials said one family drove 450 miles to spend 2 hours saying goodbye to their "adopted son." Another family donated a milking machine to a South American community, and another promised to send a library of books in English to another community.

In the past 3 year period 117,150 teachers were trained, AID-training assisted, in the Far East; 55,968 in the Near East and south Asia; 83,752 in Latin America and 29,393 in Africa.

Some 4,700 secondary school teachers and university and college instructors will receive in-service training this

summer at 94 summer science institutes being held in 49 education centers throughout India. Their aid is to introduce up-to-date, practical methods of teaching science and mathematics in India. Five U.S. universities and the National Science Foundation are helping in this project. Over 200 U.S. teachers and professors will be in India participating with this program.

I am placing in the RECORD at this place tables which show the educational participation aid which I am sure may be interest to many Members of this House:

TABLE 1.—*Textbooks distributed, fiscal years 1963–65*

[In thousands]

Region and country	1963	1964	1965
Worldwide, total	12,343	11,585	16,935
Far East, total	7,052	5,799	9,727
China (Taiwan)	7	6	5
Laos	----------	----------	820
Philippines	6,531	3,793	2,917
Thailand	----------	----------	485
Vietnam	514	2,000	5,500
Near East and south Asia, total	1,431	2,192	4,557
Afghanistan	8	12	16
Jordan [1]	16	2	1
Nepal	10	517	882
Pakistan	49	100	125
Syrian Arab Republic	----------	----------	2
Turkey	1,348	1,561	3,131
United Arab Republic (Egypt)	----------	----------	400
Latin America, total	3,392	2,995	2,432
Bolivia	230	806	53
Brazil	260	344	420
Costa Rica	140	206	350
Dominican Republic	650	150	----------
Ecuador	4	3	1
El Salvador	650	200	200
Guatemala	448	680	556
Honduras	455	440	418
Nicaragua	330	132	46
Panama	84	----------	346
Paraguay	35	30	35
Peru	100	----------	----------
Venezuela	6	4	7
Africa, total	468	599	219
Ethiopia	20	200	10
Ghana	3	1	2
Guinea	1	3	----------
Kenya	3	7	28
Liberia [2]	250	167	70
Malawi	----------	[3] 169	----------
Morocco	[4]	4	37
Niger	----------	32	54
Nigeria	6	7	8
Sierra Leone	182	3	5
Sudan	----------	1	----------
Tanzania	3	4	5
Uganda	----------	1	[4]

[1] Does not include 15,000 agricultural textbooks per year.
[2] Principally gifts from United States for which U.S. AID financed overall distribution activity.
[3] U.S. AID paid freight and assisted in distribution.
[4] Less than 500.

TABLE 2.—*Classrooms built or expanded, U.S. grades 1 to 12, fiscal years 1963–65*

Region and country	Number of classrooms					Pupils attending rooms ever provided (thousands)			
	1963	1964	1965	Cumulative to 1965	Cumulative as percent of total in country	1963	1964	1965	Cumulative as percent of total in country
Worldwide, total	56,836	61,062	39,514	210,443	----------	3,444	5,149	6,721	----------
Far East, total	2,383	3,676	5,751	27,303	----------	1,056	1,360	1,724	----------
China (Taiwan)	88	30	480	1,120	3	24	25	44	3
Korea	1,965	1,752	2,000	14,966	19	721	908	1,063	18
Laos	266	172	271	2,199	60	61	67	77	55
Vietnam	64	1,722	3,000	9,018	37	250	360	540	30
Near East and south Asia, total	43,554	48,410	25,900	148,758	----------	1,554	2,528	3,350	----------
Afghanistan	----------	----------	15	25	[1]	5	7	9	3
India	18,020	17,640	22,050	66,530	14	805	1,334	1,996	5
Iran	----------	----------	----------	1,696	3	62	62	62	3
Jordan	----------	----------	46	113	2	1	1	2	1
Nepal	58	425	197	2,303	40	67	84	92	35
Pakistan	22,340	25,650	----------	63,190	34	335	564	564	7
Turkey	30	36	70	136	[2]	1	3	5	[2]
United Arab Republic (Egypt)	3,106	4,659	3,522	14,765	17	278	473	620	13
Latin America, total	3,739	4,828	6,181	17,315	----------	250	478	767	----------
Bolivia	373	442	89	1,100	7	17	30	33	6
Brazil	102	661	661	1,568	[1]	20	73	137	[1]
Chile	561	281	1,024	1,928	[1]	25	42	91	6
Colombia	1,165	1,756	1,088	4,165	[3] 9	53	123	166	[3] 10
Costa Rica	39	20	11	70	[1]	3	4	5	2
Dominican Republic	100	150	280	530	1	7	18	38	8
Ecuador	198	332	661	1,231	6	8	19	45	9
El Salvador	218	230	380	828	9	9	18	34	8
Guatemala	569	497	556	2,660	[3] 21	64	84	106	[1]
Honduras	8	86	304	478	[1]	4	9	24	[1]
Mexico	----------	----------	698	849	[2]	3	3	15	[2]
Nicaragua	116	97	49	262	3	5	9	11	5
Panama	240	204	346	790	15	8	16	28	15
Paraguay	50	72	34	156	3	5	10	13	4
Peru	----------	----------	----------	700	1	19	20	21	1
Africa, total	7,160	4,148	1,682	17,067	----------	584	783	880	----------
Congo (Léopoldville)	----------	13	146	146	3	----------	1	13	1
Ethiopia	447	415	458	1,320	6	21	45	70	6
Gabon	8	36	34	78	2	----------	1	3	2
Ghana	86	8	16	318	[1]	9	9	10	1
Kenya	5	26	15	56	4	1	2	2	6
Liberia	30	154	50	250	12	2	8	10	11
Morocco	3,400	800	----------	7,555	23	338	378	378	25
Nigeria	12	38	6	56	[2]	[2]	[2]	1	[2]
Sudan	43	61	88	214	[1]	3	5	9	5
Tanzania	275	750	----------	1,025	7	4	15	15	3
Tunisia	2,854	1,825	810	5,967	53	206	319	367	52
Uganda	----------	22	59	82	[1]	[2]	[2]	2	[1]

[1] Not available.
[2] Less than 500 or less than 0.5 percent.
[3] Public schools only.

TABLE 3.—*Students enrolled in assisted vocational, technical, and normal schools,[1] fiscal years 1963–65*

[In thousands]

Region and country	Total			Studying teaching			Studying agriculture		
	1963	1964	1965	1963	1964	1965	1963	1964	1965
Worldwide, total	464.5	577.0	716.9	38.3	39.2	43.6	103.2	128.3	147.2
Near East, total	149.0	167.7	185.8	7.8	7.6	7.5	60.8	73.8	83.8
China (Taiwan)	33.6	37.3	38.9	5.3	4.5	4.2	20.0	22.2	23.2
Korea	46.3	54.9	59.3	.1	.2	.3	17.2	24.8	29.0
Laos [2]	1.6	1.8	2.0	1.1	1.3	1.4			
Philippines	53.5	55.9	64.7				20.1	22.5	26.3
Thailand	11.2	13.5	15.8	.1	.1	.2	3.3	3.7	4.2
Vietnam	2.8	4.2	5.0	1.2	1.5	1.5	.3	.6	1.0
Near East and south Asia, total	173.1	229.3	311.3	17.9	16.7	20.3	5.7	8.6	11.3
Afghanistan	3.4	3.7	4.2	2.7	2.9	3.4	.3	.3	.3
India	50.6	81.7	92.2	5.0	7.0	10.0	2.0	3.5	5.0
Iran	13.4	11.5	12.2	8.7	5.0	4.7	.9	1.5	2.2
Jordan	.4	.6	.5	[3]	[3]	[3]	.1	.1	[4]
Nepal	1.1	1.8	2.6	.5	.6	.8	.2	.4	.5
Pakistan	8.5	11.5	15.0	[3]	[3]	[3]			
Turkey	95.5	118.1	184.2	1.0	1.0	1.2	2.3	2.8	3.1
United Arab Republic (Egypt)		.3	.3		.1	.1		.1	.1
Latin America, total	119.0	146.9	178.8	8.7	10.4	10.5	20.7	22.5	24.7
Bolivia	3.3	3.4	3.5	2.4	2.5	2.6	.1	.1	.1
Brazil	9.9	12.4	15.6	.7	.8	1.1	5.5	6.0	6.5
Chile	6.8	13.6	26.6				1.9	2.1	2.1
Colombia	13.9	15.4	16.2	.5	.5	.5	.1	.1	.1
Costa Rica	4.0	4.4	4.7	2.4	2.4	2.4	.6	.8	.8
Dominican Republic	15.7	18.1	23.2	.2	.5	.5	.3	.4	.5
Ecuador	2.4	5.0	2.9	.6	.6	.5			
El Salvador	.7	1.7	2.2				.1	.1	2
Guatemala	.3	.4	.5						
Honduras	.7	.9	1.2	.2	.2	.3	.1	.1	.1
Jamaica	.5	.8	.7						
Nicaragua	1.2	2.4	2.4	.8	1.8	1.6			
Panama	1.0	1.1	1.0				.1	.1	.1
Paraguay	11.2	12.1	12.4	.2	.2	.3	.1	.1	.1
Peru	2.6	3.8	5.2	.6	.6	.5			
Uruguay	.7	.7	.7				.7	.7	.7
Venezuela	44.0	51.0	60.0	.1	.2	.3	11.0	12.0	13.4
Africa, total	23.4	33.1	41.0	3.9	4.5	5.2	16.1	23.4	27.5
Central African Republic			[4]						
Congo (Léopoldville)	.5	.7	.7				.2	.2	.3
Dahomey		.7	.9					.2	.2
Ethiopia	1.2	1.5	1.6	.8	.8	.9	.2	.2	.2
Ghana	.4	.4	.6	.3	.2	.2	.1	.2	.4
Guinea			.3			.1			
Ivory Coast	.1	.3	.4						
Kenya	14.4	20.1	23.6				13.9	19.5	22.8
Liberia	.6	.7	1.0	.1	.2	.3	[4]	[4]	[4]
Malagasy Republic		.1	.2					[4]	.1
Malawi	.1	.1	.2				.1	.1	.1
Mali	.1	.1	.1						
Morocco	.1	.1	.1	.1	.1	.1			
Nigeria	1.2	1.6	2.1	.4	.7	.9	.7	.8	1.0
Sierra Leone	[4]	[4]	[4]				[4]	[4]	[4]
Somali Republic		.1	.6		.1	.1			
Sudan	2.7	2.8	3.1	1.3	1.3	1.3			
Tanzania	1.5	2.4	3.4	.5	.6	.7	.8	1.6	1.6
Togo			.1						
Tunisia	.1	.2	.3				.1	.1	.1
Uganda		.3	.4					.3	.4
Zambia	.4	1.0	1.3	.4	.5	.6	[4]	.1	.1

[1] "Normal schools" refer to teacher training schools below collegiate level.
[2] Teaching may include some at collegiate level.
[3] Not available.
[4] Less than 500.

NOTE.—Detail may not add to total due to rounding.

TABLE 4.—*Students enrolled in assisted colleges and universities,[1] fiscal years 1963–65*

[In thousands]

Region and country	Total			Studying teaching			Studying agriculture			Studying engineering		
	1963	1964	1965	1963	1964	1965	1963	1964	1965	1963	1964	1965
Worldwide, total	312.7	344.3	431.4	86.9	94.4	117.7	40.3	45.9	54.4	39.3	45.8	50.1
Far East, total	117.9	108.8	116.4	42.8	44.1	48.4	6.7	7.9	8.8	6.0	7.5	8.4
China (Taiwan)	9.2	9.6	10.5	2.4	2.7	3.0	2.2	2.3	2.7	3.3	3.5	3.8
Korea	9.0	8.4	10.1	5.1	5.0	6.8	1.4	1.2	1.2	1.8	1.6	1.7
Philippines	55.0	46.5	44.9	26.0	26.5	27.0	2.7	3.0	3.3	.3	.3	.3
Thailand	42.2	41.1	47.2	7.1	7.5	8.6	.2	1.2	1.4	.4	1.9	2.3
Vietnam	2.5	3.1	3.7	2.1	2.4	3.1	.1	.2	.3	.2	.3	.4
Near East and south Asia, total	161.9	196.6	267.9	40.7	46.1	63.9	30.2	33.1	38.9	30.2	35.0	35.8
Afghanistan	.5	3.0	3.0	.1	.8	.8	.1	.2	.2	.2	.3	.3
India	45.9	50.1	53.6	.8	1.7	3.8	22.4	24.9	25.6	22.6	23.5	24.2
Iran	18.3	18.1	19.9	1.8	[2]	.6	.5	.5	.6	.1	.1	.2
Jordan	.8	.6	.5	.6	.4	.5	.2	.1				
Nepal	.2	.2	.2	.2	.2	.2						
Pakistan	4.2	5.2	6.7	.9	1.2	2.5	1.9	2.6	2.8	1.4	1.5	1.5
Syrian Arab Republic	24.5	31.3	32.0	.3	.4	[3]	.3	.6	[3]	1.3	1.5	[3]
Turkey	67.6	88.2	100.1	35.9	41.5	49.2	4.7	4.2	5.3	4.7	8.3	7.1
United Arab Republic (Egypt)			51.9			6.4			4.5			2.8

See footnotes at end of table.

TABLE 4.—*Students enrolled in assisted colleges and universities,[1] fiscal years 1963–65*—Continued

[In thousands]

Region and country	Total			Studying teaching			Studying agriculture			Studying engineering		
	1963	1964	1965	1963	1964	1965	1963	1964	1965	1963	1964	1965
Latin America, total	27.1	31.5	37.6	2.8	2.9	3.7	2.8	4.1	5.6	2.6	2.8	5.3
Argentina	1.7	2.7	3.2	.2	.3	.3	.1	.2	.3	.2	.3	.4
Bolivia	3.1	3.2	4.2	.8	.8	.9						
Brazil	1.6	2.9	5.6				.8	2.0	3.0	.4	.5	2.3
Chile	1.5	1.8	2.0				.1	.1	.1	.5	.5	.6
Colombia	.4	.6	.7									
Costa Rica	1.9	1.9	1.9	.7	.7	.7	.1	.1	.1	.3	.2	.2
Ecuador	8.7	9.9	10.4				.2	.2	.2	.9	.9	1.3
Jamaica			.4			.4						
Nicaragua	.2	.3	.5	.2	.3	.5						
Panama	1.7	1.9	2.1	.2	.3	.3	.1	.1	.1	.3	.4	.4
Paraguay	3.8	3.9	3.9				.1	.1	.1			
Peru	1.4	1.4	1.7				1.0	.9	1.2	.1	.1	.1
Uruguay	.4	.4	.5				.4	.4	.5			
Venezuela	.6	.7	.7	.6	.7	.7						
Africa, total	5.8	7.5	9.5	.7	1.3	1.7	.6	.8	1.0	.4	.5	.6
Congo (Léopoldville)	1.4	2.0	2.2	.1	.3	.4	(4)	(4)	.1	.1	.2	.2
Ethiopia	.4	.5	.6	.1	.1	.2	.2	.2	.1			
Kenya	.8	.9	1.0				.3	.3	.4	.2	.2	.2
Liberia	.5	.5	.6	.1	.1	.1	(4)	.1	.1			
Malawi	.1	.1	.1	.1	.1	.1						
Nigeria	1.3	2.0	2.9	.2	.2	.3	.1	.2	.3	.1	.2	.2
Sierra Leone	.5	.7	.8	(4)	.2	.3			(4)	(4)	(4)	(4)
Tanzania	(4)	.1	.2			.1						
Tunisia	.8	.7	1.0	.1	.1	.1						

[1] In many cases, courses run for less than 4 years.
[2] A school was closed.
[3] Not available.
[4] Less than 500.

NOTE.—Detail may not add to total due to rounding.

TABLE 5.—*Adults provided literacy training, fiscal years 1963–65*

[In thousands]

Region and country	1963	1964	1965
Worldwide, total	2,251	4,478	5,588
Far East, total	18	16	9
China (Taiwan)	18	16	9
Near East and south Asia, total	2,070	4,168	5,400
Afghanistan	(1)	(1)	(1)
Iran	475	307	300
Pakistan	40	60	100
Turkey [2]	1,554	3,800	5,000
United Arab Republic (Egypt) [3]	1	1	
Latin America, total	107	237	157
Bolivia	7	25	[4] 30
Brazil	1	1	4
Dominican Republic		99	
El Salvador	19	21	28
Guatemala	69	76	75
Honduras	11	15	16
Peru			4
Africa, total	56	57	22
Kenya		(1)	1
Mali	55	55	(5)
Nigeria	1	2	3
Uganda			18

[1] Less than 500.
[2] Done jointly with joint U.S. mission for military assistance to Turkey.
[3] Experimental TV program.
[4] Includes 5,000 under Public Law 480, title II.
[5] Not available.

TABLE 6.—*Teachers graduated from assisted institutions, fiscal years 1963–65*

Region and country	1963	1964	1965	Cumulative to 1965	Cumulative as percent of total in country
Worldwide, total	38,702	40,899	44,429	213,563	
Far East, total	12,211	12,481	13,481	101,606	
China (Taiwan)	2,951	2,632	2,863	17,551	23
Korea	2,246	2,327	2,436	33,328	29
Laos	301	394	400	1,379	31
Philippines	2,900	2,950	3,100	28,000	(1)
Thailand	2,585	2,873	3,250	8,708	5
Vietnam	1,228	1,305	1,432	12,640	39
Near East and south Asia, total	21,245	22,320	23,247	85,733	
Afghanistan	189	283	312	1,740	25
India [2]	580	714	1,040	2,334	(1)
Iran	7,288	4,810	4,241	28,800	44
Jordan	493	444	534	2,629	36
Nepal	498	630	834	4,258	50
Pakistan	4,440	5,296	6,290	18,025	9
Turkey	7,757	10,143	9,996	27,947	10
Latin America, total	4,037	4,451	5,653	19,004	
Argentina	28	50	68	146	(3)
Bolivia	1,034	904	1,000	2,560	13
Brazil	615	737	1,007	5,623	(1)
Colombia	88	226	365	699	(1)
Costa Rica	1,270	1,270	1,270	3,810	27
Dominican Republic	60	148	208	416	(1)
Ecuador	89	92	75	467	(3)
Honduras			70	70	(1)
Nicaragua	208	319	797	1,373	31
Panama	83	46	83	1,100	(1)
Paraguay	235	217	225	677	6
Peru	145	157	149	1,160	2
Venezuela	182	285	336	[4] 903	(1)
Africa, total	1,209	1,647	2,048	7,220	
Congo (Léopoldville)	15	27	70	112	(3)
Ethiopia	163	345	295	2,250	30
Liberia	57	30	77	329	12
Malawi			3	3	(1)
Morocco		48	46	94	(3)
Nigeria	107	167	400	674	(3)
Sierra Leone	7	51	88	146	5
Sudan	630	630	650	2,565	(1)
Tanzania	200	235	269	704	(1)
Tunisia	30	39	50	168	(1)
Zambia		75	100	175	10

[1] Not available.
[2] Total college level only; data not available on number graduated from schools below college level.
[3] Less than 0.5 percent.
[4] Total for 3 years; cumulative total not available.

TABLE 7.—*Teachers provided in-service training, fiscal years 1963–65*

Region and country	1963	1964	1965
Worldwide, total	85,256	103,933	97,104
Far East, total	39,957	38,723	38,470
China (Taiwan)	2,500	2,000	1,230
Korea	1,529	416	380
Laos	300	500	500
Philippines	32,923	35,000	35,000
Thailand	2,445	507	560
Vietnam	260	300	800
Near East and south Asia, total	11,367	20,932	23,699
Afghanistan	1,050	1,160	1,300
India	160	2,000	4,000
Iran	3,583	5,063	5,000
Jordan	360	360	360
Nepal	1,644	6,823	7,348
Pakistan	1,100	1,785	2,265
Syrian Arab Republic	14	40	20
Turkey [1]	3,406	3,651	3,406
United Arab Republic (Egypt) [2]	50	50	----------
Latin America, total	25,835	35,520	22,397
Bolivia	174	818	605
Brazil	7,646	8,807	8,558
Latin America—Continued			
Colombia	10,317	10,857	3,254
Costa Rica	520	7,180	2,910
Dominican Republic	3,730	1,865	----------
Ecuador	175	230	345
El Salvador	337	1,800	2,000
Guatemala	164	194	450
Honduras	700	606	900
Nicaragua	1,135	1,495	1,307
Paraguay	204	935	1,194
Uruguay	----------	27	27
Venezuela	733	706	847
Africa, total	8,097	8,758	12,538
Congo (Léopoldville)	292	385	250
Ethiopia	352	417	500
Ghana	15	20	25
Kenya	----------	175	250
Liberia	2,200	1,700	1,900
Mali	65	80	95
Morocco	116	125	115
Nigeria	4,000	4,600	[1] 7,150
Sierra Leone	673	1,050	2,113
Sudan	334	126	50
Tanzania	50	80	90

[1] Includes correspondence courses.
[2] Experimental TV program.

In many nations the critical shortage of textbooks has been a major block to better education. I have had the personal privilege in my own district of rounding up textbooks to send on a completely cost-free basis to the taxpayers to a small segment of the Philippines. Their joy in receiving these textbooks was overwhelming.

In the Philippines, AID is stimulating the expansion of the publishing and printing industry in the textbook area providing paper and paper products to be used by local industry printers in publishing textbooks. By 1963 approximately 21 million elementary and secondary texts have been published and an additional 6 million were published in fiscal year 1965.

Similar programs are being conducted in Latin America, chiefly in the Central American Republics. Over 8 million elementary and secondary school texts have been published in the last 3 years in Central America through AID assistance. It is interesting to note that paper and paper products from all sections of the United States have been used in these textbooks.

Boise Cascade, Portland, Oreg., and Vancouver, Wash., shipped $312,194 worth of paper products; Kimberly-Clark, Munsing, Mich., shipped $28,029; the Fiber Board Corp., Ripon, Calif., shipped $17,035.

It is very interesting to note and to ponder on one small facet of this textbook industry. Can you imagine what development will appear in the future as the level of education is raised from the 4th to the 5th to the 6th and so on? Can you imagine how much more consumption there will be of these products as well as providing the necessary doors of knowledge for persons securing an education?

Let us turn to special programs such as the Turkish armed forces literacy training project which has trained thousands of adults. Since the beginning of this project in Turkey in 1959, 14 textbooks and teachers manuals and 40 supplementary reading books were developed and a total of 2 million other books have been printed and distributed; 4,200 other teachers have been trained at 16 different teacher training centers with a combined capacity for teaching 60,000 to 70,000 recruits each year.

I would also like to bring to the attention of this House an example of an educational project which covers several aspects. In 1950, 4 years before the AID program began, Nepal had no national university, no teacher training institutions. Only 1 child in every 200 was in school and only 2 percent of the Nepalese people could read and write.

The Government of Nepal, with U.S. advice and assistance, began in 1954 to concentrate its efforts on a three-way educational program. The University of Oregon contracted for the teacher-training portion. Nepal's first teacher training center was established in Katmandu in 1954. Two years later mobile normal school teams were organized to carry teacher training into the hinterlands. There followed annual in-service training programs and subsequently a total of more than 3,500 primary school teachers were trained by the normal school staff, and a normal school organization established capable of turning out 1,000 to 2,000 teachers per year as needed. As a result, since 1954 primary school enrollment has risen from 26,000 to 254,000 and the percentage of primary-age pupils from 2 percent to over 19 percent.

You will be interested to know that cost to the University of Oregon from 1954 to September 30, 1959 when the contract expired was $640,000. You will also be interested to know that AID had provided $2,018,000 for the primary education project in Nepal between fiscal year 1955 and fiscal year 1965, most of which went for construction of schools. This amount also included some funds for professional work and for provision and distribution of curriculum materials.

In Nepal also a bureau of textbook publications was established and it produced 55 different titles and 225,000 pieces of educational literature in its first 5 years.

In the adult education field, more than 2,400 part-time teachers and field workers were trained for literacy education. Finally a national university was established with colleges of liberal arts and science, agriculture and forestry, education, law, nursing and medicine and finally, the number of schools from fiscal year 1955 through 1963 increased from 921 to over 5,000.

In Chile, President Frei announced his determination to do all he could to insure classrooms for every child. In the school year starting in March 1965, his campaign began, parents were urged to register their children, assistants and social workers were employed to assure such registration and the result of this effort was an increase of 186,000 in registration over last year. The total number of children accommodated in primary grades in 1965 was, 1,135,000. At the same time it was a strain on the teacher program. Accordingly the drive began to increase the number of teachers. Recent accounts indicate there will be 5,000 new teachers this year and the Government set 2,000 additional classrooms as its new construction goal which was exceeded by more than 50 percent and a total of 3,136 classrooms were expected to be available at the opening of the school term in March. Here it was interesting to note that this was an example of what can be done in a country with little outside assistance when a Government is ready to move ahead on its own.

In addition the Government is expanding its scholarship program and plans an extension of both a daily breakfast and school lunch as well as a basic school kit for each child.

In the fields of vocational, technical and managerial education the challenge has been particularly pressing in Africa.

AID programs in Africa have been therefore somewhat unique in having a greater than usual number of projects almost exclusively consisting of training.

For example, in fiscal year 1964 about 34 percent of the AID financed participants trained in the United States came from African countries in contrast with the fact that our African programs received approximately one-tenth of AID's total economic assistance obligations that year. Steps have been undertaken in several African nations with the cardinal aim of projects to provide U.S. assistance in such a manner that institutions can stand on their own feet and be staffed by Africans as soon as possible.

Nigeria provides a good example of AID assistance in developing local education and training institutions designed to meet African development needs. The University of Nigeria opened its doors in 1960 and by October 1964, was serving an enrollment of 2,445 full-time degree students in its regular programs and an additional 2,000 students in its continuing education center.

In Africa great strides have yet to be made in the field of literacy for the average literacy rate for African countries including South Africa is 16 percent.

The development of skilled labor is another field. Assistance in expanding hospital services is always accompanied with the need for training of technicians and persons to carry on the operation of such services.

Worldwide total physical accomplishments under AID programs, fiscal years 1963–65 and calendar years 1962–64

Accompanying table No.	Accomplishment	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965	Cumulative to 1965 (selected items)
1	Textbooks distributed (thousands)	12,343	11,585	16,935	
2	Classrooms built or expanded (U.S. grades 1 to 12):				
	(a) Classrooms	56,836	61,062	39,514	210,443
	(b) Pupils attending rooms ever provided (thousands)	3,444	5,149	6,721	6,721
3	Students enrolled in assisted vocational, technical and normal schools (thousands): [1]				
	(a) Total	464.5	577.0	716.9	
	(b) Of which, studying—				
	Teaching	38.3	39.2	43.6	
	Agriculture	103.2	128.3	147.2	
4	Students enrolled in assisted colleges and universities (thousands): [2]				
	(a) Total	312.7	344.3	431.4	
	(b) Of which, studying—				
	Teaching	86.9	94.4	117.7	
	Agriculture	40.3	45.9	54.4	
	Engineering	39.3	45.8	50.1	
5	Adults provided literacy training (thousands)	2,251	4,478	5,588	
6	Teachers graduated from assisted institutions, total (thousands) [3]	38.7	40.9	44.4	213.6
	(a) College trained	19.0	21.3	22.6	120.4
	(b) Other	14.7	13.7	14.7	68.2
7	Teachers provided in-service training (thousands)	85.3	103.9	97.1	
8	Dwelling units built:				
	(a) Dwelling units	96,064	141,839	123,264	
	(b) People benefited from units completed in year (thousands)	553	795	680	
9	Doses of vaccine and other medication distributed (thousands)	67,718	58,574	[4] 48,670	
10	TB tests given (thousands)	687	811	822	
11	Health facilities provided:				
	(a) New facilities:				
	Beds in hospitals	5,852	3,790	9,848	
	Primary health centers	947	738	721	
	Health subcenters	2,437	1,670	1,528	
	Mobile units	21	69	25	
	(b) Visits to facilities ever assisted (thousands) [3]	241,831	269,652	297,959	
	Hospitals	10,396	12,186	13,505	
	Health centers and subcenters	161,243	183,630	208,254	
	Mobile units	94	655	986	
12	Water supply facilities provided:				
	(a) New facilities:				
	Rural wells	57,943	34,371	36,310	
	Village water distribution systems	9,269	10,810	13,183	
	Urban water distribution systems	86	137	156	
	(b) People benefited from facilities ever provided (thousands) [3]	45,988	75,823	105,887	
	Rural wells	24,343	27,421	30,465	
	Village water distribution systems	11,297	23,000	37,308	
	Urban water distribution systems	10,348	25,327	37,814	
13	Waste disposal facilities provided:				
	(a) New facilities:				
	Rural latrines	143,492	141,298	220,042	
	Village sewer systems	2,119	2,908	4,293	
	Urban sewer systems	33	40	27	
	(b) People benefited from facilities ever provided (thousands)	5,208	12,623	22,115	
	Rural latrines and village sewer systems	4,326	9,100	15,083	
	Urban sewer systems	882	3,523	7,032	
14	People protected from malaria (thousands)				691,325
15	Acres newly irrigated (thousands)	567	663	857	50,024
16	Acres reclaimed (thousands)	138	256	1,335	3,050
17	Fertilizer distributed (thousand tons)	1,017	1,332	1,915	
18	Pesticides distributed (thousand tons)	17	10	14	
19	New or improved seed distributed (thousand pounds)	15,976	20,786	11,723	
20	Industrial facilities completed or expanded:				
	(a) New facilities:				
	Powerplants	3	12	25	
	Manufacturing plants	222	207	310	
	Under investment guaranty program	6	11	21	
	(b) Capacity added:				
	Kilowatt generating capacity (thousand kilowatt-hours	245	314	1,458	
	Tons cement (thousands)		360	631	
	Tons fertilizer (thousands)	11	20	128	
	(c) Annual output of facilities ever assisted:				
	Millions kilowatt-hours	7,623	10,357	14,995	
	Tons cement (thousands)	853	1,000	1,471	
	Tons fertilizer (thousands)	202	379	519	
21	Investment surveys (as of Apr. 30, 1965):				
	(a) Surveys in process				65
	(b) Surveys completed				47
	Decision not to invest				33
	Decision to invest (number)				14
	Capital generated (thousand dollars)				28,940
22	Miles of road built or improved:				
	(a) Paved	2,956	3,840	3,376	
	(b) With gravel, crushed stone, etc.	3,423	4,305	7,255	
	(c) Earth roads graded and drained	23,275	41,346	44,368	
23	Miles of railroad route built or improved	231	527	316	
24	Agricultural credit institutions:				
	(a) People receiving loans (thousands)	1,801	1,956	1,950	
	(b) Value of loans made (thousand dollars)	172,702	237,285	311,415	

Accompanying table No.	Accomplishment	Calendar year 1962	Calendar year 1963	Calendar year 1964	Cumulative to Dec. 31, 1964
25	Industrial credit institutions: [5]				
	(a) Firms receiving loans	248	1,345	477	2,776
	(b) Value of loans made (thousand dollars)	14,558	33,561	22,263	132,890
26	Savings and loan associations:				
	(a) Associations established	60	22	3	85
	(b) New members (thousands)	54	92	96	251
	(c) Value of savings (thousand dollars)	10,662	32,510	64,447	111,399
	(d) Homes financed	5,552	10,161	12,617	28,355
27	Credit unions:				
	(a) Credit unions established				1,483
	(b) New members (thousands)				388
	(c) Value of savings, net (thousand dollars)				16,844
	(d) Value of loans made (thousand dollars) [6]				47,397

[1] "Normal" schools refer to teacher training schools below collegiate level.
[2] In many cases, courses run for less than 4 years.
[3] Total is greater than the sum of the parts because in some countries the breakdown was not available.
[4] Of total, about 60 percent for smallpox and 30 percent for cholera.
[5] Includes only those industrial development institutions which received dollar loans; does not include the assisted with dollar grants or local currencies. Calendar year 1962 is for April to December 1962.
[6] Represents cumulative total of loans made in 6 countries, and the value of loans outstanding in 7.

HEALTH

For example, the shortage of medical and paramedical school graduates in Thailand has been a deterrent to improved health. U.S. assistance under earlier completed programs was focused on strengthening medical schools and related institutions. Concern with the north and northeast regions of Thailand has resulted in an effort to reach the rural population. In the northeast, AID is assisting the Thai Government to establish village health and sanitation programs covering the northeast villages by the end of 1966 and 6,000 villages outside the northeast by the end of 1965.

Diseases associated with poor sanitation are Thailand's most serious health problem. In 42,000 villages where 85 percent of the population lives, the sanitarians work directly with the villages through health committees organized at the village level.

Since 1960 village health and sanitation programs have been started in 4,000 or more than 10 percent of the Thai villages. In 1965, 2,100 villages will be added to the program. Two hundred more sanitarians will be given preservice training. At the close of fiscal 1966, when U.S. assistance to this project phases out, the Thai Government will have a sufficient number of trained personnel to expand this project to the remaining Thai villages without assistance.

Malaria, known as "the Ancient Curse" in Thailand has been one of the worst plagues known to man. While the United States at a total cost of $54 million in a 12-year campaign successfully eradicated malaria 15 years ago, worldwide cases were estimated at that time between 200 and 300 million, with between 2 and 3 million deaths a year.

Half of mankind, almost 1.4 billion people live in areas where malaria was a serious problem. Substantial AID assistance has gone into training for this work. The worldwide campaign is proving increasingly successful. Since 1958 U.S. assistance through AID has been provided $235 million; though setbacks have occurred and both mosquito and parasite resistance to chemicals have affected numerous areas, only a small percentage of the population at malaria risk lives where special problems are preventing an effective attack.

Of more than 1.4 billion people in originally malarious areas who reported at the end of last year that nearly 450 million are now in areas where malaria eradication can be claimed and another 340 million where malaria transmission has been eliminated and remaining cases are being detected and treated in a surveillance program.

India is an example of what has been achieved with U.S. financial and technical assistance. Determined Indian leadership and effective administration has made possible the reduction from an estimated 70 to 80 million attacks of malaria per year in 1953, to less than 60,000 laboratory confirmed cases in 1962. In other words, in this country, with 481 million population originally a malaria risk, 220 million are now in areas freed of malaria, 182 million where malaria transmission has been stopped and only 79 million still require active protection by DDT spraying.

I am attaching here a summary of some of the facilities under the AID program and I particularly emphasize that you look at the water supply facilities; sewage facilities and the distribution of fertilizer for improved agriculture.

And now I want to speak very briefly on one of the most helpful programs we have in the world. It is a program of which I am intimately acquainted in my own country for I had the privilege of graduating in the field of nutrition from my own State university. Malnutrition has long been one of the leading deterrents to human progress. It is a deterrent to the social development of a nation. It is a deterrent to the basic economic development of a nation and the abolishment of malnutrition and the establishment of good nutrition is of substantial impact to the social progress of our entire world as well as to economic progress.

Every parent knows that "picky children" who refuse nourishing food at home eventually can establish good eating habits in a well-planned school hot lunch. I think many men fail to realize that these children eating our school lunch programs here and around the world are tomorrow's consumers and the economic future of our agriculture is dependent upon the establishment of these good eating habits.

May I note here the importance of our food for peace program. Of the 100 million recipients of our donated foods, 70 million are children, including more than 40 million in organized national school lunch programs. Through the Alliance for Progress child feeding program, for instance, 1 out of every 4 school-age children in Latin America is receiving food commodities from people in the United States ranging from powdered milk to full-scale lunches. The effect of the hot lunch program has been evident in Santiago, Chile. Third graders showed an 8-pound weight increase after the first 4 months of the hot school lunch program.

Now I want to talk just a moment about relative costs. The program before us today is expensive, yes, and to the average taxpayer it represents a burden and a sacrifice to help nations of this world, particularly those who are ungrateful as I mentioned earlier.

The daily cost of economic aid from American taxpayers is $6 million. The per capita per year to each person in the United States is $17.34 per year for economic aid or 0.031 cent per day per person. For combined economic and military aid it is 0.04775 cent per day.

These costs standing alone are not quite fair in themselves. Let us compare these costs with some other costs which I have picked at random.

I was intrigued by what the national costs of war are and so I have obtained from the Defense Department some figures dating back 100 years.

For example, the cost per day to the taxpayers of the Union alone for the Union Army during the Civil War which began April 12, 1861, and continued until May 26, 1865, was $2,271,096. In addition to the financial costs, let us take the human cost of 1 day's battle. In the Battle of Fredericksburg on December 13, 1862, from the Union Army there were 10,000 casualties out of 122,000 participating. The Confederate Army had 78,500 in that battle with 5,209 casualties.

The Spanish-American War, which lasted 103 days, cost us $127,400,000 or $1,236,893 per day and yet this is very often referred to as a "small war."

World War I, which lasted a total of 580 days, cost the United States, including aid to allies, $55,310,805 per day. The casualties of that war, both allies and enemies, was estimated in the military between 27,805,000 to 30 million. The civilian casualties in that same war are estimated at 9,349,000 to 12,618,000.

World War II which lasted a total of 1,361 days beginning with the United States participation on December 7, 1941, to September 2, 1945, cost the United States, including lend lease, a total of $317.6 billion or a cost per day of $226,010,187. The cost per person here in the United States was $1.99 per day. The casualties of that war in both theaters, United States, allies, and enemies was militarily between 30,678,000 to 47,210,000; civilian casualties, 24,800,000 to 35,112,000. The estimated number of Jewish people killed by the Nazis vary from 4,194,300 to 6,034,500.

On D-day, June 6, 1944, 70,500 American forces were committed in that single day of battle and there were 6,603 casualties.

The Korean war which cost the lives of 1,245 Americans cost the United States alone $18 billion for military costs in Korea.

Now let us look at a related war cost. The cost of the Veterans' Administration medical services in fiscal year 1965 was $1,201,897,328 in addition to $81,298,876 for hospital facilities construction which totals, $1,283,196,204 in fiscal year 1965. The average cost per day would be $3,515,606 and not one of us begrudges 1 cent of this.

In these costs, you will note I have made no mention of material or property destruction costs.

The amount appropriated for expenditure for the space program for fiscal year 1966 is $14,300 million. Therefore, the average cost per day must be $39,150,712.

In another category of our national expenditures, the people of the United States last year, and I do not mean this critically, spent a total of $13,600 million for liquor. The per capita cost is estimated at $58 and tobacco cost us $43 per person. The cost per person per day for tobacco is 0.118 cent; the cost for liquor per person per day is 0.159 cent per person per day.

Against that again I would like to call attention to the grand total for economic and military aid at 0.04775 cent per person per day, and to say as the gentlemen said on June 18, 1953, "Mr. Chairman, this is an arm of our foreign policy."

May I suggest that each and every Member of this House of Representatives read the hearings of this subcommittee and study some of the tables presented.

Mr. Chairman, I have tried to present these figures so that Members might

have some conception of relative costs. May I say this on behalf of the subcommittee, we have tried carefully to do our best for our present national policy in measuring and funding this program.

I would also like to add a personal footnote. Not long ago I stood on the battlefield at Yorktown and as I looked out on that field, I could not help but be reminded of another nation who could probably ill afford at that particular moment to spend funds for the armaments, ships and men which made the difference between our defeat or victory. I was forcibly reminded again of this sharing of this assistance which gave a poor, struggling nation our own independence.

[Source: "The Congressional Anthology," 1955, p. 117]

"No man is an island, entire of itself;
Every man is a piece of the continent,
A part of the main;
If a clod be washed away by the sea,
Europe is the less,
As well as if a promontory were,
As well as if a manor of thy friend's
Or of thine own were;
Any man's death diminishes me,
Because I am involved in mankind;
And therefore
Never send to know for whom the bell tolls;
It tolls for thee."

—*John Donne.*

Mr. HALEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. HALEY. Mr. Chairman, it has long been recognized that actions speak louder than words, and it seems plain to me that the actions of India and Pakistan speak more loudly and more clearly than could millions of words, concerning the futility of this country's slavish devotion to its "open checkbook" foreign policy.

That open checkbook foreign policy is symbolized by the annual multi-billion-dollar appropriation for international development—or foreign aid—or mutual security—which we are asked to approve here today. But I say that this bill does not carry money for the purposes implied by the names this program has had over the years. The funds we are asked to appropriate are, as far as their value to us is concerned, nothing more nor less than a dole, a handout to foreign nations in the hope that, somehow, we can buy their friendship, or at least their support in a crisis.

It must be embarrassing indeed for those, in the administration and in the Congress, who so loyally persist in this wasteful diversion of the taxpayers' dollars to have this war—for it is that, whether declared or undeclared—between India and Pakistan break out, and expose the truth about the futility of foreign aid, at the very moment we are confronted with this $4 billion-plus bill. And I sympathize with their plight.

But I have for years had a great deal more sympathy for the plight of the taxpayers, who are called on to foot this monstrous annual cost and its contribution to our ever-increasing burden of national debt. And I would hope that this Far Eastern conflict, which threatens to destroy the already uneasy peace of the entire world, would at least awaken the consciences of those public officials who believe, or seem to believe, that "dollar diplomacy" is our answer to all of the ills of the world, including the threat of a disastrous nuclear war.

As all of us know, India and Pakistan have been among the major beneficiaries of our program of handouts in the name of foreign aid. This year, the United States has pledged to give $435 million in economic aid to India and $212.5 million in economic aid to Pakistan, if I remember my figures correctly.

The extent of military aid to these two countries is classified, but the authoritative estimate is that in the past decade, Pakistan has received $1.2 billion in military assistance. India, by the same estimate, has received only about one-tenth of that amount. But India has received vast amounts of economic assistance during the decade, and thus has been enabled to devote a greater share of her own finances to defense spending.

So, what have we derived, of benefit to ourselves, from these huge outlays? I cannot say what we have had of benefit—but I can say that the situation as it stands today has made us look ridiculous in the eyes of the entire world.

Only yesterday, our State Department conceded that U.S. military equipment is being used in the fighting between India and Pakistan—by both sides. Moreover, while Pakistan apparently is using jet aircraft and modern tanks furnished by the United States—and using them against India contrary to the terms of her aid agreement with our Government—the State Department blandly refuses to criticize Pakistan for this violation, much less to indicate that any formal action in the matter is being contemplated.

Said State Department Press Officer McCloskey:

We are concerned that U.S. military equipment is being used.

The depth of that concern was indicated when the United States informally suspended military aid to both Pakistan and India but did nothing to curtail economic aid.

It is nice for the people to know that there is official concern about this misuse of the aid they have been furnishing by these two countries. It is perhaps less happy for them to know that no official action is being taken to curtail economic aid to those who misuse it. It occurs to me that it might be well to write into this year's foreign aid money bill a mandatory bar to further aid to Pakistan and India, as in the past we have curbed aid to nations of the Communist bloc.

The blunt truth is that the hundreds of millions of dollars we have given these countries has equipped them to mount war against each other. At the least, this war will drain the very economies we paid so much to develop. At the worst, it can touch off a fuse which will ignite a nuclear holocaust which will destroy the world itself and all mankind.

I will not belabor my point further. It is too obvious to need that. But I feel impelled to point out to those of my colleagues, who may not have read what was said the other day by Federal Reserve System Chairman William McChesney Martin, what this widely recognized expert on fiscal matters thinks about foreign aid as it now operates.

Chairman Martin, appearing before a Government Operations Subcommittee of the other body, made no bones about his opinion that we cannot safely carry this load longer without endangering our economy. He said bluntly that the United States is—and I quote—"carrying too large a load" in the area of foreign aid and international development. He said—and I quote again: "I think we ought to put on all the pressure we can to get our friends to do more than they are doing—to assume a greater share of the overall problem of development" of the less wealthy nations.

I find what Chairman Martin said very interesting, because it happens to be a part of what I have been saying for a good many years now. And I regard what he said as being of high significance because he not only is the first high-ranking official of this or any preceding administration to make such a public acknowledgement, but because he is one of the Nation's recognized fiscal authorities.

I am sorry to say that the bill which we debate today indicates that my distinguished colleagues of the Appropriations Committee have not pondered Chairman Martin's warning that this foreign aid program is too burdensome for our economy.

We are asked to approve a new foreign aid outlay of slightly more than $4 billion. It is true that this represents a cut of 4.4 percent in the administration's requested budget. But it also happens to be 2.83 percent more than was appropriated for the last fiscal year.

I do not think that now is the time to turn upward in the trend of our appropriations for foreign aid. I would not think so even if I thought the program to be worthwhile, which I emphatically do not. I am opposed to this bill as it is submitted to us.

Mr. JOELSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. JOELSON. Mr. Chairman, the AID emphasis on rural development has been one of the key factors in preventing Communist takeovers in parts of southeast Asia and in other developing countries.

It is no secret that the Chinese Communists have marked northeast Thailand as their next target. For months, Communist agents from outside of Thailand have been infiltrating the northeast region and recruiting local bandits to assist them in a campaign of subversion and intimidation.

AID plans for fiscal 1966 call for an accelerated rural development program

in northeast Thailand to expand communication lines and roads, build schools, irrigate lands, establish health programs, and conduct police training.

AID will support Thai efforts to farmers in the northeast by building a strong extension service and conducting agricultural research. The Thais are attempting to increase the number of agricultural extension agents from 1 for every 13,000 farms in 1963 to 1 for every 2,000 farms by 1967. A new service will handle classes for hundreds of student farmers.

Studies now underway are aimed at finding means to establish light industries in the northeast and to set up irrigation and flood control projects in two major river basins.

Another part of our aid will focus on training and equipping Thailand's 6,300-man mobile border patrol police and strengthening the counterinsurgency capability of the provincial police. In addition, AID will support training programs for nearly 3,000 local officials and village teachers and help supply 500,000 elementary school students in the border provinces with improved textbooks.

DDT and spray equipment will be supplied to help control malaria and technical help will continue on a project to train doctors and nurses in the rural areas.

Last year, the Thai Government contributed more to the cost of AID development projects than we did.

Rural development in southeast Asia is proving every day that freedom can deliver what communism can only promise and disrupt—that free choice works better than coercion. It is a battle fought not with guns, but with ideas and hard work.

Mr. FARNUM. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FARNUM. Mr. Chairman, on August 17, the Alliance for Progress observed its fourth birthday. President Johnson marked the occasion by rededicating our Nation to the spirit and the letter of the Charter of Punta del Este which in 1961 launched a bold and unique working partnership between the United States and 19 Latin American countries. At the same time, the President urged our partners in the Alliance to form a common market toward the improvement of rural life and agriculture for Latin America's 225 million people.

Four years is not a very long time—but in this brief span the Alliance for Progress has scored many solid achievements—achievements that have more than justified the vision and faith of the late President Kennedy who conceived the Alliance as a 10-year cooperative effort to provide the basic needs of the Latin American people for homes, work, land, health, and schools.

The Alliance rests on the commitment of the Latin Americans to undertake strong self-help measures; to mobilize their own resources, and to face the hard and painful decisions that must be faced if they are to overcome their problems and fulfill the promise of the Charter of Punta del Este.

A substantial number of Alliance countries have undertaken exactly the kind of self-help measures that are needed. For example, tax reform programs are underway in no less than 11 countries; over half the nations of Latin America have completed their development plans; over half have met or surpassed the target of a 2½ percent yearly increase in per capita income; no less than 10 countries have enacted land reform legislation; and the budgets for public education have risen over 25 percent in the last 3 years.

Fifteen countries have self-help housing programs, and the capital of housing banks, affecting 16 countries, has been sharply increased. Savings and loan legislation has been adopted by 10 countries. In six countries alone, there are now over 70 savings and loan institutions, with 157,000 savers, and over $40 million in deposits.

As for physical accomplishments, U.S. assistance to Latin America, both directly and through local institutions, has resulted in the construction of 326,000 homes, 36,400 classrooms, 735 health centers, hospitals or mobile health units; the installation of over 2,000 wells and water systems; the printing of 11 million textbooks; and the extension of 290,000 agricultural credit loans.

Some 22 million Latin Americans have been provided with surplus agricultural commodities through our food-for-peace program—Public Law 480—and a special child-feeding program, known as Operation Ninos, has brought nourishing meals to more than 12 million school children.

Mr. Chairman, these are just some of the achievements of the Alliance for Progress. There are many others, but the ultimate goals of the Alliance will require the continued and expanded efforts of all the Alliance partners, as well as increased technical assistance and project implementation on our part.

In this hemisphere, we have come to learn that our own destiny can well be affected by the aspirations of the campesino in the highlands of the Andes or of the slum dweller in Caracas. Our hopes for ourselves and for our children are intimately woven in with theirs. We know that we cannot expect full security and happiness for our own people if we ignore the needs and wants of our less fortunate friends south of our own border.

Well over four-fifths of the capital required for the factories, the schools, the water systems and the roads essential for development is being generated by Latin Americans themselves. Substantial parts of the remainder are coming from Europe, from private investors and from international lending institutions. Total U.S. commitments during the first 3 years of the Alliance have averaged something over $1 billion a year—a sizable sum, but only a small fraction—less than a fifth—of the total new capital formation in Latin America.

Mr. Chairman, I am confident that if we continue to honor our commitments under the Charter of Punta del Este that the Alliance for Progress will continue to prosper and achieve a better life for every Latin American citizen.

Mr. SHRIVER. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, in my opinion, the India-Pakistan conflict over Kashmir is a crisis pinpointing the severe overall shortcomings of our foreign aid program. We have contented ourselves with international charity and international anticommunism. We have failed to make our overseas assistance program an effective political weapon in a very political world. In Asia, our policies have never matured past adolescence.

Let me read a quotation from the New Republic of September 11, 1965:

> Our Government has given India and Pakistan almost $10 billion to protect them against communism. The most striking result has been to enable them, despite their grave economic weakness, to fight each other with full arrays of expensive modern weapons, for possession of Kashmir. Pakistan has received $1.2 billion in military and $2.6 billion in economic aid. Last month, taking a leaf out of the Communist book, the Pakistanis sent into Moslem Kashmir some thousands of guerrillas to begin a "war of national liberation," and last week the Pakistanis were attacking with Patton tanks provided by the Americans. The Indians naturally fought back, and were enabled to do so all the more vigorously thanks to the $200 million of military aid and the $5.2 billion in economic aid which India has had from the United States—of course with the idea of bolstering India against communism, not against Pakistan.

Now if our Government had the sense private enterprise usually does, it would hardly have pumped $10 billion into the Indian subcontinent with a crucial contingent liability like Kashmir hanging fire. The least we could have done is to have used our aid program as a lever to work the will of the United Nations that there be free elections in Kashmir. But this would have involved coercing India, and India is a sacred cow of the liberal world savers. Somehow this is true despite India's record of pillage in the religious wars, despite India's record of aggression against the former Portuguese enclave of Goa, despite India's record of persecution of its so-called untouchables, and despite India's record of political tyranny in denying self-determination to Kashmir. I have had the feeling sometimes that every holier-than-thou anti-American statement India has put out has just excited the liberal world savers to send more foreign aid. They have propagandized India as a garden of democracy and the hope of Asia. They are trying to watch democracy grow like they would watch carrots or radishes grow.

Kashmir is what they got. Pakistan subverted and then seemingly invaded Kashmir. But before this the Pakistani have watched India deny their kinsmen of Kashmir the right to join Pakistan—which everybody knows Kashmir wants,

and after all, the U.N. did promise free elections some 18 years ago.

Notwithstanding the Kashmir powder keg—with its steadily burning fuse—our fearless, franchised foreign aid distributors have pumped almost $2 billion worth of military aid into the Indian subcontinent since it became independent. Why have we done this? Because we want to save India and Pakistan from Communist China—but every time India or Pakistan gets American weapons they think first and foremost about using them on each other, and not Communist China.

Mr. Chairman, Pakistan was long our friend—although we paid enough cash to make it understandable—until we gave arms to India. Pakistan fears India gravely. The open sore of Kashmir is one reason, and India's vast overwhelming 5-to-1 population and strength ratio is another. Pakistan, unlike our liberal world-saver friends, can see behind India's holier-than-thou pose. As I said, our military aid to India was supposed to be for use against Communist China, but let me quote the New Republic of September 11 again:

> But the United States took that threat more seriously than did the Indians, who kept the bulk of their best troops in Kashmir, facing Pakistan.

While we gave military aid to Pakistan only, it did not greatly distress India and we kept Pakistan's friendship. Then when we began to aid India because of the Communist Chinese scare, we began to sacrifice Pakistan's friendship because Pakistan feared India more than China. Nor can it be said that our aid made a friend of India. The Communist Chinese pressure is responsible for any Indian seeming change of heart. Actually, the India-Pakistan conflict will probably lead both countries to make overtures to Communist China for aid or neutrality. Such is the result of an American policy that ignored the Kashmir time bomb and pumped in billions of dollars worth of arms to add to the explosion. While we should have been trying to dismantle the Kashmir time bomb we were paving the way for a greater conflagration and a greater opportunity for Communist China to profit for our gullibility.

Nor is military aid the only American aid that is waging this war. Look at what the billion dollars worth of economic aid this past year was used for by India and Pakistan. A good part of our economic aid to India went for trucks and diesel locomotives—key muscle of warfare. Our aid to Pakistan went largely for steel, power facilities, railroads and roads, also crucial to any war effort.

As far as I am concerned, Mr. Chairman, we have no business pumping so much aid so blindly into the Indian subcontinent. If we are to spend large sums of money there, let us do so as part of a carefully worked out and politically conscious development plan. I urge that we withhold moneys from India and Pakistan pending the formulation of some plan settling the Kashmir crisis and providing for Indian-Pakistani cooperation. Perhaps we might channel our aid through an Indo-Pakistani Development Bank to be under the auspices of the United Nations, which idea the United Nations might be able to use in peacemaking attempts. At any rate, until a sound new concept in aid has been formulated for the two nations, Pakistan and India, I believe that we should withhold all aid, on grounds of not wishing to aid in the present conflict beyond the extent we already have. I urge this House not to appropriate any military aid funds for either nation, and I would urge that economic assistance moneys appropriated be withheld until the crisis is reasonably settled.

Mr. Chairman, I feel that our aid should be conditioned on a Kashmir settlement, and that the administration's reluctance to speak of the underlying Kashmir problem, coupled with an excessive tenderness towards India, merely perpetuates the self-defeating policy of the past. In closing, I would like to make this final point—I hope that the Members of this House are coming to realize the wasteful immaturity of our aid program. It is as obvious as the failure of our foreign policy.

Mr. SHRIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. THOMSON].

Mr. THOMSON of Wisconsin. Mr. Chairman, appropriation of almost unlimited sums of money to the AID is not the answer to the confused situation now existing in our foreign aid program. The bill now pending before the Committee represents a tremendous amount of money, but it in fact is only part of the vast sums which will be passed out to foreign lands.

It presents the Congress, however, with an opportunity to impress upon the Agency the need for tighter controls and more useful uses of the money allotted to this program. In my opinion, an agency which contracts with others to do its work could certainly get along with fewer employees itself. But this Agency, rather than reducing the number of its American employees, has increased them.

On June 30, 1964, there were 6,688 American nationals employed by AID, while on June 30, 1965, there were 6,828 American nationals employed, even though the Agency had contracted with all manner of corporations and public institutions to an amount exceeding $400 million.

Among the forms of contracts executed by AID are those entitled, "Research and Analysis." This Agency has spent a total of more than $25 million on research projects. Among such research projects are the following:

"Impact of Electric Power on Rural Development—Pilot Study in Colombia," $80,000, Fairbanks-Morse.

"Impact of Electric Power on Rural Development—Pilot Study in Colombia," $125,000, American Institutes for Research.

"Usefulness of Small Power Sources in Remote Locations," $355,000, General Electric Co.

"Development and Performance Test of a Solar-Power Battery Recharging Center," $30,000, Hoffman Electronics Corp.

"Research on Farm Power and Equipment Requirements for Production of Rice and Associated Food Crops in the Far East," $360,000, International Rice Research Institute.

After 30 years of rural electrification in America, it would seem that a telephone call to the National Electric Cooperative Association or to the TVA, or the investment in a 5-cent stamp could have produced an answer to the impact of electric power on rural development at a saving of $1 million to the American taxpayers.

There are other research contracts which have not been completed and which must be awaited breathlessly at the AID. One is a contract with Michigan State University for $500,000 entitled "Diffusions of Innovations in Rural Society." Some people thought that Orville Freeman through his Department of Agriculture was introducing innovations in rural society. Others thought that the Farm and Home Administration has long been engaged in that activity, but possibly neither of these or other agencies, have extended their activities to diffusions of such innovations.

Almost every agency of Government has a public relations bureau, and our foreign outlet is the Voice of America and USIA. But the AID paid the American Institutes for Research almost $75,000 for a study entitled "Diffusion of Information Through Radio and Supporting Media." And AID paid Brandeis University $250,000 for a study entitled "The Political Attitudes of Youth in Developing Countries." And, with the accumulation of all of this research evaluation, the AID spent the monumental sum of $5,405 to Haverford College for a study on "Effect of Foreign Aid on the U.S. Balance of Payments." Another interesting contract went to the University of Pennsylvania, which cost AID $250,000 for a study on "The Interaction of Social Values and Political Responsibility." And there are many more.

This Agency's craze to execute contracts has permeated the administration of the Agency itself. They paid the American Institute for Research $284,000 to analyze the functions of four key positions in aids oversea missions. It was this evaluation of standards by which selections are made for key oversea positions. They advised AID as follows:

"Feasible means for measuring the degree to which a prospective incumbent possesses some of the requisite characteristics may not be currently available to AID. However, the inability to measure the characteristics within the constraints that now bind the Agency should not be confused with the issue of whether or not a characteristic is essential to do a job effectively. If the characteristic is needed, and AID chooses and

places a candidate lacking it in the appropriate degree, the aspects of the job in which the characteristic is required cannot be performed effectively."

AID paid Syracuse University $350,000 for an appraisal of the administration of the technical assistance program, even though they are phasing out the technical assistance program in favor of contracts to perform the service.

However, with more than $400 million in "current technical service contracts as of December 31, 1964," AID appears uncertain about the wisdom of the contract method, because they have entered into another contract with Purdue Research Foundation for evaluation of AID university contracts for agricultural education and research programs abroad, in the amount of $998,931.

I think the time has come for this Congress to put the brakes on the contract craze of AID. It is time that this Congress impressed upon this Agency the need for tighter controls, and I am certain that with less money in their hands, more careful use of the taxpayers' money can be encouraged. Rather than attempt to prevent any contracts, I intend to submit at the appropriate time an amendment which would prevent AID spending money on research into the administrative, organization, or operation of personnel practices of the Agency. I am hopeful that the Committee on Foreign Affairs will, at the beginning of the next session, make a thorough and searching examination of this type of use of the taxpayers' money, with the clear intention of writing some strict guidelines into the authorization legislation which will effect some long overdue economies, and effect some savings and prevent some of the waste which is so evident in this Agency.

Mr. Chairman, I insert at this point in the RECORD, under permission to include extraneous matter with my remarks, a tabulation of research contracts for the funding years 1962–65 by title, and the agency making the research, as well as the amount of money involved, the total of which is $25,193,163.

The matter referred to follows:

Research contracts fiscal years 1962–65

Contractor	Project title	Total obligations [1]
American Institutes for Research	1. Evaluation of AID participant training programs in the United States (pilot study).	[2] $37,797
	2. Diffusion of information through radio and supporting media (pilot project in Ecuador).	[2] 74,075
	3. Research on job performance standards (AID employees overseas).	[2] 284,030
	4. Research and development of aptitude testing.	245,950
	5. Review of AID publications	[2] 10,320
	6. Impact of electric power on rural development (pilot study in Colombia).	125,111
Total		777,283
Brandeis University	7. The political attitudes of youth in developing countries.	250,594
Brookings Institution	8. Universities and political change in Latin America.	21,385
	9. Symposium on research on the development of administrative capacity in emerging countries.	27,000
	10. Transportation and economic development.	1,469,720
Total		1,518,105
Bureau of Social Science Research, Inc.	11. Overseas evaluation of the participant training program.	415,700
Cornell University	12. Comparative study of social and cultural change.	647,938
	13. Urban housing in Latin America: Economic, political, and social implications.	269,968
Total		917,906
Educational Services, Inc.	14. Mathematics curriculum development in Africa.	1,823,012
	15. Research and development in beginning science curriculum for English-speaking tropical Africa.	481,603
Total		2,304,615
English Language Services, Inc.	16. Research on new techniques for training teachers of English.	1,049,652
Fairbanks Morse	17. Impact of electric power on rural development (pilot study in Colombia).	80,304
Foundation for Research on Human Behavior.	18. Symposium on research on comparative social change in developing countries.	35,000
General Electric Co.	19. Usefulness of small power sources in remote locations.	[2] 355,000
Haverford College	20. Effect of foreign aid on the U.S. balance of payments.	[2] 5,405
Harvard University School of Public Health.	21. Effects of investment in health on economic growth.	85,756
Hoffman Electronics Corp.	22. Development and performance test of a solar-powered battery recharging center.	[2] 30,025
International Institute for Educational Planning.	23. Development of guidelines for determining the feasibility of using new educational media in developing countries.	196,129
International Rice Research Institute.	24. Research on farm power and equipment requirements for production of rice and associated food crops in the Far East and South Asia.	360,000
Johns Hopkins University	25. Functional analysis of health centers.	$225,690
	26. Research on certain effects of foreign aid on the economic growth of selected countries.	19,408
	27. Research in health manpower planning for selected less-developed countries.	865,684
Total		1,110,782
Medical College of Virginia	28. Study of methods for improving the training and use of middle-level health manpower.	130,200
University of Michigan	29. Research in foam plastics for housing.	236,000
Michigan State University	30. Role of food marketing systems in Latin American economic development.	395,162
	31. Diffusion of innovations in rural societies.	500,000
	32. Development of an educational research center for Central America.	[2] 610,000
	33. Mapping of research requirements of the food-for-peace program.	124,040
	34. Symposium on communication research and the development process.	37,880
Total		1,667,082
MIT Center for International Studies.	35. Intensive study conference on means to increase agricultural productivity in underdeveloped countries.	[2] 246,200
	36. Improved analytical methods for development planning.	200,910
Total		447,110
National Planning Association	37. Development planning and planning assistance criteria.	1,377,120
	38. Capacity expansion planning factors.	38,391
	39. Development Research Digest	[2] 69,240
Total		1,484,751
North Carolina State (College), University of North Carolina.	40. Analysis of data on the nutrient status of soils in Latin America and West Africa.	750,000
Ohio State University Research Foundation.	41. Analysis of programs for the development of agricultural credit institutions and services.	636,821
University of Pennsylvania	42. The interaction of social values and political responsibility.	250,000
University of Pittsburgh	43. Research on the process of institution building: Four case studies of educational and training institutions.	158,380
Purdue Research Foundation	44. Evaluation of AID university contracts for agricultural education and research programs abroad:	
	Phase I	58,931
	Phase II	940,000
Total		998,931
Simulmatics Corp.	45. Venezuelan development study	220,000

See footnotes at end of table.

Research contracts fiscal years 1962–65—Continued

Contractor	Project title	Total obligations [1]
Stanford Research Institute	46. Farm marketing facilities and practices in tropical Africa.	$564,037
	47. Industrial location and development planning in newly industrializing countries.	196,029
Total		760,066
University of South Florida	48. Impact of a literacy program in a Guatemalan ladino peasant community.	65,129
Syracuse University	49. Appraisal of the administration of technical assistance programs, with special reference to T.A. in agriculture.	355,475
UCLA	50. Relation of investment in housing to economic growth.	99,088
Williams College	51. Import substitution and economic policy in economic development.	173,299
University of Wisconsin	52. Research and training in land tenure and reform in Latin America.	$2,463,275
	53. Study of regional cooperation in south and southeast Asia.	312,770
Total		2,776,045
Yale University	54. Quantitative study of economic structure and growth.	1,513,730
	55. Projection and analysis of world trade patterns.	[2] 38,800
Total		1,552,530
Grand total		25,193,163

[1] Total obligations for fiscal years 1962–65.
[2] Completed.

NOTE.—This list includes only contracts; participating agency service agreements (PASA's) are not included.

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

Mr. THOMSON of Wisconsin. I am glad to yield to the gentleman.

Mr. GROSS. Mr. Chairman, I want to commend the gentleman for his excellent statement. I do not believe he mentioned the $15 million that went to Ecuador to take care of its budget deficit when it had a credit in the Central Bank of the International Monetary Fund upon which they could have drawn. I wonder how much longer we are going to continue to take care of budget deficits of other countries when we have a deficit of billions of dollars in this country and when the other country has a source of credit available upon which it can draw.

I thank the gentleman for yielding.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wisconsin. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, every month there is laid on my desk a report from AID showing the number of contracts that have gone into Missouri as well as the amounts of the contracts; also the contracts that have gone into Wisconsin, Iowa, New York, Massachusetts, and all the other States of the Union. The purpose of this, I suppose, is to influence Members in their vote.

Personally I consider it an insult to the integrity and the intelligence of a Member of the U.S. Congress. But my question is, Does the Member know how much is being spent by AID on public relations of this kind?

Mr. THOMSON of Wisconsin. I am sorry I cannot respond with accuracy. I have a tabulation of the contracts that are let out to the universities, corporations, and various other agencies. But I am sure AID does very well in their public relations functions. I am surprised that they are letting contracts out to find out new ways to diffuse innovations in rural societies and some that are not rural.

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

Mr. THOMSON of Wisconsin. I am glad to yield to the gentleman.

Mr. GROSS. I have been reading the voluminous hearings as best I can. I have been looking for some word as to how the deceased general in Thailand allegedly accumulated an estate of around $100 million. I do not know whether he was one of the gambling house operators in Thailand, but the State Department seems to think, according to information that I have, that the official's 40 or 50 wives were thrifty and therefore they made a contribution to this huge estate.

Mr. ROONEY of New York. Mr. Chairman, if the gentleman will yield, how many wives did the gentleman say?

Mr. GROSS. Forty or fifty.

Mr. ROONEY of New York. I wondered if I had heard correctly.

Mr. PASSMAN. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from California [Mr. COHELAN].

Mr. COHELAN. I thank the gentleman for this time and, Mr. Chairman and members of the committee, I want to join with those who preceded me in the well in extending my great appreciation to our chairman for a most interesting period of time in reviewing this bill. Even though we do have disagreement on some points, I believe it is very important to recognize that even while we are having a vigorous debate on this bill today, we are much more in agreement than we are in disagreement.

Mr. Chairman, I would point out at the outset that when we are considering cuts in the bill, the actual differences in the cuts that have been proposed are only in the neighborhood of some $83 million and, as you know, the committee has recommended a $75 million cut.

I believe it is safe to say that all of us are most anxious that our foreign aid assistance program be put to the most effective, efficient use possible. There will always be, I suppose, some controversy as to how this can best be done.

Mr. Chairman, foreign aid—that much criticized, much maligned, and much misunderstood program—is not a wolf in sheeps clothing, as some would have us believe. It is in reality an important, a practical, and a necessary arm of our foreign policy. Its several programs are directed toward a single goal: to assist those nations that so desire to maintain their independence and to develop into self-supporting nations. This goal is certainly no less valid today than it was 19 years ago, when the program was begun and the need is certainly no less great.

The history of the last two decades shows rather conclusively that this program of economic and military assistance played an essential role in the rebuilding of Western Europe. It shows that it was a crucial element in enabling Turkey to withstand heavy Soviet pressures and in permitting Greece to put down Communist aggression. It shows that it allowed many nations on the border of the Sino-Soviet bloc to survive and grow. And it shows that it has encouraged, and in some cases made possible, economic and social growth in many of the underdeveloped countries of the world.

The fact of the matter, and this too is borne out by history, is that the continued survival of our own free institutions depends upon the development of a world community of stable, self-supporting countries. Or to put it another way, as other people grow in freedom and independence, so the security of the United States is advanced; and as others grow in economic strength, so will our markets and our economy continue to expand.

Our foreign aid program, furthermore, should not be thought of only in terms of national security and national interest. It can and it should be thought of as well in our proud tradition of humanitarianism; a tradition which dates back to the frontier days of this country; a tradition which is based on our willingness to share our abundance with those less fortunate. And let those who say charity and good works should begin at home remember that for all of the economic, social, political, and humanitarian functions which this program advances, it represents less than 1 percent of our gross national product.

John Fitzgerald Kennedy stated it aptly in a message to Congress a little over 2 years ago when he said:

> That our aid programs can be improved is not a matter of debate. But that our aid programs serve both our national traditions and our national interest is beyond all reasonable doubt.

Mr. Chairman, the foreign aid program which we are considering today is a much different program than the one we considered 10 or even 5 years ago. It operates differently; it is directed to different kinds of problems and it is going different places.

A decade ago we finished our economic aid programs in Europe and Japan. Those countries had achieved enough economic strength to go forward without aid. Today these countries are joining us with foreign aid programs of their own, providing over $2 billion per year in aid to less developed countries.

Our assistance efforts today are focused in the countries of Asia, Africa, and Latin America. But more importantly, the kind of aid we are providing, and its purpose, have changed significantly.

Not too many years ago, a large portion of our aid was intended to do nothing more than keep many countries economically afloat on a day-to-day basis. Much of our aid was simply budget support. As recently as 1956, two-thirds of all our foreign aid was military assistance, and most of our economic aid was budget support. But since 1960, supporting assistance has been ended for 18 countries. Today, two-thirds of our aid is economic in nature and almost all of this economic assistance supports long-term development and progress toward self-support. This is the key to our new efforts.

This long-range development assistance is provided primarily through development loans. The $1.1 billion requested for development loans, including the Alliance for Progress, constitutes a major share of the total request for fiscal year 1966. These loans provide assistance of two different types.

The most familiar type of loan provides capital assistance for specific projects—highways, bridges, dams, and irrigation works. They help in the construction or expansion of private industrial plants. They also assist the growth of rural electrification cooperatives and help establish local development banks, which in turn lend to private investors. For example, loans have been made to 36 industrial banks in 30 countries which in turn have made possible some 2,400 loans to private business there. These are the kinds of activities which encourage economic activity at the grassroots level where it counts so heavily and which create the institutions vital to the economy of a developing nation. These are the kinds of programs which must be emphasized if self-reliance and independence are to be promoted.

A second type of loan, called program loans, also provides a grassroots impact, not by building institutions, but by encouraging the development of private enterprise. These loans, which have become increasingly important, finance the import of equipment, supplies, and raw materials for countries with scarce foreign exchange resources. In the past year, approximately 90 percent of these funds went to the private sector in the recipient countries.

Individuals—both manufacturers and farmers—in many less-developed countries desperately need raw materials and spare parts to expand their production, and sometimes simply to keep their plants or farms operating. These loans mean vehicle components for motor companies; fertilizers for farms, machinery for factories; medical and pharmaceutical commodities for laboratories. They may be undramatic but a sound development program is made up of thousands of small undramatic improvements, replacements, additions, and investments. And it should also be pointed out that program loans finance the import of U.S. commodities only.

They are thus an asset to the private sector of our own economy. They are one important means of expanding our overseas trade.

Another vital need for the less-developed countries is skilled leadership. Building institutions—banks, educational systems, agricultural extension services—is of little value if these countries lack adequately educated and properly motivated people to make them effective. The technical cooperation program is directed primarily toward meeting these needs.

In India, for example, our programs have helped train teachers, establish a major fishing industry, solve production and market problems in private industry, and establish institutions to train engineers and agricultural experts. We all realize, I am sure, that the United States cannot and should not, even if it could, send overseas all the doctors, teachers, city planners, economists, and so forth, that are needed in these countries, nor will our assistance programs alone produce enough of these people. But that is not our immediate objective.

The technical cooperation program, for which $277 million, including the Alliance is requested for fiscal year 1966, is aimed at long-term development primarily by providing technical experts who perform advisory services and teach others to teach themselves. In other words, this assistance is intended to act as a catalyst—to provide the critical margin of resources from outside which will enable much larger resources inside the country to be put into action.

Not all of the technical assistance projects nor all of the development loan programs have met rapid success or produced large-scale results. The difficulties in the developing countries are too great for us to expect quick success at every turn. But the important thing is that steady and meaningful progress is being made. And a fact that we should remember is that for every $1 of U.S. bilateral assistance, the 20 major aid recipients in Asia, Africa, and Latin America have allocated an average of $6 for development from their own limited funds.

Mr. Chairman, I have said a great deal about development loans and technical cooperation programs because they are the core of our efforts abroad. I wanted to emphasize that most of the economic aid funds are used for purposes essential to development progress. There are, of course, other components of the aid program—supporting assistance; the contingency funds for general needs and for southeast Asia; the funds for international organizations and programs; and the funds for American schools and hospitals. These all contribute in an essential way to the objectives of U.S. foreign policy.

Our military assistance program, for example, is the key to survival to some 11 countries on the rim of the Communist bloc. It is the key to the maintenance of more than 3.5 million men under arms. These men are a deterent to Communist aggression. Without them our defense costs would be much higher and many more American troops would have to be committed around the world.

Mr. Chairman, I believe we have reported a good bill to the House. It represents the smallest total available for obligation in the last 10 years. It concentrates two-thirds of its development assistance in 7 countries, 90 percent of its supporting assistance in 4 countries and three-quarters of its military assistance in 11 countries. It also places a premium on self-help; on a recognition that the United States cannot afford to provide major assistance to countries that choose to make their own development a minor concern.

Several members of the minority on the committee have not seen fit to join in the committee report. They have instead filed minority views and I would like to take a minute or two to comment on some of their allegations.

First, as to congressional control. The impression is given that somehow foreign aid is out of control of the Congress. Aside from the fact that this is a reflection on two committees of the House, their chairmen, and in fact the entire membership, it ignores the fact that the foreign aid program is probably the most frequently scrutinized, examined, and studied of any Government program. Extensive hearings are held by the Foreign Affairs and Appropriations Committees each year. Foreign aid is one of the few programs that each year must go through a full authorization cycle and a full appropriations cycle. Congress does have control; it does have full powers of review. In fact a number of changes and reforms have been made in the program—even in the smallest details—as a result of congressional review.

Second, aid and the balance of payments: Few subjects have been so much debated and so completely distorted as the relationship of foreign aid to our balance of payments. The facts are these:

Since 1961, foreign aid has had a steadily decreasing impact on our balance of payments.

The adverse impact is at the lowest level yet achieved. More than 85 percent of the funds requested for the economic assistance program in fiscal year 1966 will be spent directly in the United States for American goods and services.

The net drain of funds from the economic aid program, taking into account repayments from prior aid loans, was about $300 million in fiscal year 1964. The latest figures for calendar year 1964 show that the annual net drain has been further reduced—to about $250

million. In 1961, by contrast the comparable drain was about $1 billion.

Third, aid and the balance of trade. Contrary to the allegation by the minority, the statements that U.S. commercial exports are rising in the less-developed area where AID maintains foreign assistance programs are correct. From 1959 to 1964, U.S. commercial exports to the AID program countries—excluding exports financed by economic assistance—rose from $3,893 million to $4,832 million—nearly $1 billion in 5 years.

It is simply not correct that a more meaningful measure of AID's impact on foreign commercial trade is the "balance" of U.S. commercial exports and imports. The "balance" is the result in two independent phenomena—the level of exports and the level of imports. The level of commercial imports to the United States from the less-developed countries is influenced by a variety of factors, including such things as the level of U.S. income and demand for goods produced in less-developed countries, the growing capacity of the less-developed countries to produce export goods, and the prices of these export goods. These are factors over which foreign aid clearly has no control or direct influence.

Nonetheless, our overall commercial trade balance with Latin America has not declined in the 1959–64 period. Indeed, in 1964 it was less unfavorable than in any year since 1959.

In addition, the U.S. share of the worldwide export market in all the less-developed regions of the world is expanding. Our overall share of worldwide exports—including aid-financed trade—to 99 countries in Latin America, Africa, and Asia in the 1959–60 period was 25 percent; in the 1963–64 period it was 28 percent. More important, the United States obtained 43 percent of new export trade with these countries since 1959–60—much more than our overall share of the export market in these less-developed countries. In other words, our relative export position in the developing countries is improving—not deteriorating The U.S. increase in new export trade was much greater than can be explained by the increase in U.S. aid dollars.

Fourth, the real size of the aid program. The minority alleges that there is some sort of plot to conceal the size of the aid program by splitting it up. This is certainly not true. And, even if it were, all the discussion about concealment would have long ago brought things into the open. The truth is that all such funds are shown in the budget, and fully reviewed and understood by the Congress.

Some of the items listed by the minority as foreign aid have little, if any, relationship to the foreign aid program as I have discussed it today. The foreign aid program has traditionally been understood to be the program authorized by the Foreign Assistance Act of 1961 and for which funds are appropriated by title I of the bill we are considering today.

The minority report lists as foreign aid, for instance, the funds for the administration of the Ryukyu Islands. The United States is responsible for the administration of these islands pursuant to a treaty with Japan. Military considerations require our presence there, but clearly these considerations are not governed by foreign assistance criteria.

Another item listed as foreign aid by the minority is the Export-Import Bank. The primary objective of the Export-Import Bank now—as it has been for over 30 years—is the promotion of U.S. export trade throughout the developed and less developed areas of the world. Its activities do spur economic growth in Africa, Asia, and Latin America, but its principal function is to bolster U.S. commercial sales to these areas.

There are other international activities of the United States which to some extent share with the foreign aid program the purpose of assisting the less fortunate nations. It is important in each case, however, to recognize the nature of the activity and the true costs involved.

Mr. Chairman, on balance I think the evidence points conclusively to the need and the necessity of continuing this program of foreign assistance and to pass this bill without reductions beyond those which have already been made by the committee. I have not meant to imply in my remarks that this program has no weaknesses, that it should go on indefinitely or that it is no burden to us as taxpayers. I have meant to emphasize, however, that much of our aid program is committed to fundamental economic development efforts, that it is primarily a catalytic agent, that it is in the best interests and the best traditions of this country, and that its weaknesses and its costs are frequently exaggerated.

Secretary of State Dean Rusk said it very pointedly and very thoughtfully in his testimony before the House Committee on Foreign Affairs last year.

The Secretary said:

> We often hear talk about what we are doing to future generations of Americans and about the legacy which we have given to our grandchildren. I would certainly not want mine—

He continued—

> to grow up in a world where the richest nation—having nearly half the world's wealth—ignored for decades the needs of two-thirds of the people who lived in poverty, disease, and hunger. It would surely not be a very safe or stable world. And even more, it would not be a very great heritage or tradition to pass on.

Mr. Chairman, foreign aid represents a major offensive weapon in our foreign policy arsenal. In an age of nuclear weapons, when any brushfire may turn into a general holocaust, it offers an opportunity and an incentive for peaceful change, progress, and growth. Other free nations combining their efforts with ours, can, must, and are helping the emerging areas of the world to develop into independent and self-reliant states. Communism cannot countenance such a world. It is foreign to its philosophy and designs.

Foreign aid, thus, is not only an effort to provide help and hope to less fortunate neighbors—a step which we should take even if there were no such thing as Communist aggression. But at a time when so-called "wars of national liberation" are being hailed as the wave of the future, it is also a foundation stone and an essential bulwark in the defense of freedom and independence.

Mr. SHRIVER. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, we have been listening to debate here all afternoon of the great accomplishments of foreign aid in the past, how much it means to our foreign policy, the great good it has done. But little has been said about the harm it has done, and nobody, apparently, has been thinking about the American taxpayers.

I hate to put forth a note of discord into this love fest we have been having, but it seems to me that somebody should have something to say about the American taxpayers; somebody should have something to say about whether the American taxpayer should continue to finance wars, and whether or not this House is going to take some action.

It seems what we have done here has been to go along pretty well with what the administration wanted and with what the White House wanted. It seems to me we ought to reduce this sum. When the time comes I am going to offer a motion to recommit with some reductions. I will speak later on that under the 5-minute rule.

What have we been doing as a Congress? We have been going the White House one better in practically everything we have done.

Medicare costs were raised $2 billion over what the White House requested.

College aid was approved more than double the amount asked.

Military pay—that was raised $600 million above the request.

On civilian pay raises it looks like $400 million will be added.

On arms spending—that is to be increased above the amount asked.

The antipoverty program has all the money that was requested and more.

Area redevelopment is $250 million higher than what the White House asked for.

The old idea there should be economy in government when the economy is expanding and the old idea of economy by the Congress seems to have been forgotten. As a result, the spending in the administrative budget will soon be breaking through the $100 billion mark.

The cash budget is going to be above $130 billion.

The cut of $3.600 million in military spending in the midst of the war was needed in the year that ended last June 30 to hold the administrative budget down below the $100 billion mark, and then they were back in for more money and they got it.

Arms spending is going to rise at least $4 billion this year.

It seems to me, my colleagues, it is time we took a good hard look at what is going on. We recognize the war in Vietnam is going to cost us a great deal more next year than this year's military budget. But because of the stamp "secret and confidential," we cannot

speak here on the floor today as to what we are spending to finance the war of India and Pakistan. It seems to me, my colleagues, a perfectly ridiculous thing that we should be taking the taxpayers' funds to finance a part of the war in India and Pakistan—spending money on both sides. Yet the administration is going to come in and ask for more money to fight our own war in Vietnam. All of this is done by deficit spending. Remember this, that the funds you are using to finance the war in Pakistan and India come from money borrowed at the expense of the American taxpayers upon which we are paying interest and increasing the deficit of this country.

It seems to me it is time we called a halt to some of these things. Now the gentleman who has just spoken here talked about the humanitarian side. I agree that we must have a humanitarian feeling, but let us have one for the American taxpayers as well. He talks about what we did in Western Europe. Yes, of course, we went to our allies and we rebuilt their nations. We rebuilt their economic strength. After we did it—what happened? Have they contributed to these other nations and to these funds? Take a look at the list of other countries in this question of aid. We are still footing the bill. Oh, they are making some minor contributions, but they are more interested in defeating us in trade and in business with the machines and factories that we built for them out of our resources. Why are they not in this? Why can we not ask them to go into a humanitarian program too with some of the funds and the profits of the prosperity that they now have to aid in this? Why can we not ask for something like that?

I will agree with anyone that it would be immoral if we ever let grain spoil in our granaries or if we ever let food spoil in our warehouses so long as there are hungry people in the world and so long as there are hungry people in the United States—and there are some hungry people here in the United States. I understand we have had to have an antipoverty program here because 17 million people go to bed hungry every night in the United States. Let us feed them with our surpluses as well as feed people abroad.

The story is not one sided, as we have been hearing today.

It seems to me that the Congress must begin to consider the financial side of the question as well as the question as to whether it is moral for us to support a war between two countries, as we are now doing in India and Pakistan.

My distinguished chairman read a letter which rather suggested that the House should do nothing about the war between Pakistan and India. It was stated that that is a matter of foreign policy. I agree. To a certain extent it is. But I do not believe that that is a policy which is entirely within the province of the President of the United States.

I remind the Members of the House that the Constitution provides that no funds shall be spent unless appropriated by the Congress of the United States. That provision in the Constitution gives us control of the purse strings and the determination as to whether moneys shall be used to finance both sides engaged in a war. We have a constitutional right—and, I believe, a constitutional responsibility—to exercise that prerogative and to say that we will not expend money from the Treasury of the United States to finance wars—on both sides or on one side. Whether we shall appropriate funds for that purpose is a question which comes within the responsibility of the Congress.

I hope that Congress will finally stand up and be counted. We have delegated many of our powers. We have given rights away. It is time that we again stand firm, take a look at these programs, and exercise our own prerogatives. The idea of walking up and down the aisle must come to an end. Congress should again assume its authority over programs of this kind.

I shall speak on the motion to recommit later, but I hope that my colleagues will not believe that this question of foreign aid, foreign security, or whatever it may be called, is all one sided. The American taxpayer has a right to be heard. Certainly the Congress should not merely step to the tune called to it. We should exercise our own prerogatives in this field.

Mr. PASSMAN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. ROONEY].

Mr. ROONEY of New York. Mr. Chairman, the always highly interesting remarks of my distinguished friend, the gentleman from Ohio [Mr. BOW] remind me of the late Al Smith when he said: "Let's look at the record."

Do Members know, in fiscal year 1953, the amount of money appropriated by the House for the purpose of foreign aid? Practically 100 percent more, or twice as much as the amount suggested to be appropriated today, to wit, $6,001,900,000.

Do Members recall who was the chairman of the House Appropriations Committee back in those days, in 1954 fiscal year? That great and fine American, one of my dearest friends, the gentleman from New York Mr. John Taber. Mr. Taber and the Republicans produced a $4½ billion foreign aid bill in that year.

Mr. SHRIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, it always touches me deeply to have somebody from the majority party do as the gentleman from New York has just done; that is, to take as a standard the example of Republicans and to indicate that anything Republicans did must have been perfectly all right. I appreciate the gentleman's felicity and I congratulate him on his broadmindedness and perspicacity.

Mr. ROONEY of New York. Mr. Chairman, will my distinguished friend from Arizona yield?

Mr. RHODES of Arizona. I am happy to yield to the gentleman from New York.

Mr. ROONEY of New York. I know of the high grade of intelligence possessed by my distinguished friend from the great Southwest, and I know that he does not at all believe what he says.

Mr. RHODES of Arizona. This puts me in sort of a dilemma, I say to my friend from New York; either I have to admit that I do not have as much sense as he says I do, or I have to say that I do not believe what I have just said. I cannot do either.

I will reiterate the point and say that it seems that on the other side of the avenue, 1600 Pennsylvania, this is getting to be a very important exercise every day. Apparently, a letter is brought out which was written by President Eisenhower at one time, which has been used to indicate that the present Vietnam policy was completely fathered by a Republican administration. Even though the letter does not prove the point at all. Again I say I am touched and I am delighted that the Democrats of the country are so pleased to be on the side of the Republicans. I congratulate them.

I should like to say, however, to my good friend from New York, that the figures which he quoted as an appropriation for foreign aid by the 83d Congress came, as he knows full well, during the days of the Korean war. I believe if he will look at the record and make the appraisal which I am sure he is perfectly capable of making—and will make, because he is an honest man—he will realize that after the Korean war was finally ended by a Republican President the appropriations were cut considerably, and came up then quite considerably under later Democratic administration.

Mr. ROONEY of New York. If the gentleman will kindly yield further, I should like to say that the appropriations never got down to the "bare bones" they are today.

Has the gentleman forgotten what is going on at the moment in Vietnam?

Mr. RHODES of Arizona. Of course I have not forgotten what is going on at the moment in Vietnam. I have not forgotten what is going on in Pakistan and India, either.

I believe it is very important that this House take a stand against a current which seems to be developing throughout the world—that is, that nations get American military aid and American economic aid and then go to war with each other. They start having wars in which we find ourselves represented vicariously on both sides, in the shape of weapons we have furnished to each combatant.

We have seen this happen on Cyprus. There, weapons furnished by the Turks which we had given them originally were arrayed against other weapons we had given the Greeks. These weapons found a rendezvous on the Island of Cyprus, shooting at each other.

I do not believe we should pass this bill until the Congress of the United States has gone on record in support of what I understand, from my good friend from Texas, is the policy of this administration. I understand that the President of the United States has already announced—if I am incorrect I am sure the gentleman will correct me—that military assistance both to India and to Pakistan has been suspended pending

such time as the present war between those two nations has been completely stopped. I also understand that further agreements for economic assistance to either nation will not be made so long as there is a shooting war between these two nations.

I believe Congress should go on record in support of the President's policy. We should put in this bill a provision which will strengthen his hand in the purpose which he has already taken up.

I wish to say, Mr. Chairman, that in this bill for the past several years we have had a prohibition against foreign aid to any nation which allows its ships to be used in trade with Cuba. I am sure this provision has had a very salutary effect in aiding the efforts of this Government to stop trade with Communist China.

Mr. PASSMAN. Mr. Chairman, will the distinguished gentleman yield?

Mr. RHODES of Arizona. I am happy to yield to the gentleman from Louisiana.

Mr. PASSMAN. Certainly it was the subcommittee's loss that the distinguished gentleman from Arizona moved on to another committee. So as to keep my own record straight, in keeping with the statements that I made earlier today—and if they are not correct, of course, I want to be corrected—this is, in reality, one of the largest appropriation bills ever passed by this House in the history of the foreign aid program. I brought that point out in my earlier discussion because the program has been fragmentized. During the period it has been my privilege to handle the bill on the floor final appropriations have been down as low as $2.7 billion on two occasions.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. PASSMAN. I yield the gentleman one additional minute.

If the gentleman will yield further, final appropriations have been down to $3 billion on one occasion, and down to $3.25 billion on another occasion. However, we must also take into account that we now channel aid into a lot of different international organizations. So I stand on the previous statement that the total aid request is $7,512,470,000. I am compelled to make that statement in defense of what I said earlier today.

Mr. RHODES of Arizona. As the gentleman from Louisiana, I am sure, realizes, the very figures he has set forth are to be found in the minority report. This is a very high bill, one of the highest we have brought up since I have been in Congress. I want to congratulate the gentleman from Louisiana on the work he has done in his committee this year, as always, and on the fine presentation he made. I also want to say I miss being on this subcommittee.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield for a question?

Mr. PASSMAN. If the gentleman will yield to me, I will yield to the gentleman from New York [Mr. ROONEY] for a question, although I may not be able to answer it.

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. ROONEY of New York. I wanted to ask my distinguished friend, the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN] whether it is not the fact that when this foreign aid bill passed the House in the 1953 fiscal year, it was not in the amount of $6,001,900,000.

Mr. PASSMAN. I think that is correct. That still does not amount to the $7,512,470,000 figure I just mentioned.

Mr. SHRIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, I have asked for this time to advise my colleagues of the House that at the appropriate time it is my intention to offer an amendment to this bill which would deny aid to countries who are shipping or permitting their ships to carry goods to North Vietnam. When we were threatened by communism in Cuba, this is what we did. We attempted to isolate Cuba and in the foreign aid bill at that time we provided that no aid would be made available "to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba" certain items of aid. That provision continues in the bill we have before us today and which we are going to be acting on soon. I say that while Castro is still a continuing threat, the problems we are facing in Vietnam are imminently more urgent. I say it is not right to deny aid to countries that are trading with Cuba and not include a prohibition against aid to countries that are permitting their ships to carry materials of war to North Vietnam. What is the scope of this shipping? My colleagues, some of you may have heard me call attention to this in the past, but the conference report we approved just recently on page 23 says:

"Free world ships carry 45 percent of North Vietnam seaborne imports and 85 percent of seaborne exports."

Just think of this Free world ships supplying North Vietnam. I told you then that I challenged these figures, and that they are not the whole truth. I hold in my hand a secret document which will tell you, those of you who are concerned about this and want to come and look at it, the true extent of this aid to North Vietnam. It is alarming.

I ask the gentleman from Louisiana, the chairman of the subcommittee, to tell me if it is not true that this bill will provide aid to some of these countries that are carrying on this traffic?

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield to me?

Mr. CHAMBERLAIN. Will the chairman of the subcommittee answer this question? Does this bill not contain aid to countries that are shipping to North Vietnam?

Mr. PASSMAN. This bill is on an illustrative basis so that it is impossible to tell from the justifications. The agency can testify for concerning money for a school building in Argentina and take that money and build a summer resort on the Ivory Coast.

Mr. CHAMBERLAIN. The information made available to me by staff members of this subcommittee is that there is aid in this bill to nations that are shipping to North Vietnam.

Mr. Chairman, the President has told us that this is war. I agree with him. It is war. I have been to South Vietnam just recently. I have been to Da Lang and Pleiku and Chu Lai. I have been to the hospitals. I have seen what is going on there. It is war. We cannot have a double standard and permit aid to the countries whose ships are carrying supplies to North Vietnam while we prevent aid to countries whose ships sail to Cuba. That does not make sense. We owe it to our military people in Vietnam and the other 50,000 boys that the President says he is going to send there and those are to be asked to serve because we are doubling our draft calls and sending more boys out there.

How can we sit on our hands here and do nothing to stop the shipping that is going to North Vietnam?

The President has stated that this is war. He has recognized this. He has stated that he does not like it. I know he wants it stopped. I know that the Secretary of Defense wants it stopped. I know that every Member of Congress wants it stopped. I say that here is the opportunity for us to do something about it. Let us help the President to stop it.

Our Founding Fathers when they wrote the Constitution provided that appropriations shall be made by the Congress, because we are closer to the people. I say the American people do not want aid sent to North Vietnam. I say that here is a chance for us to do something about it. We should help the President stop this trading with the enemy.

Mr. Chairman, I say that there is a moral issue involved here, too.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman from Michigan now yield?

Mr. CHAMBERLAIN. I yield briefly to the gentleman.

Mr. ROONEY of New York. The matter to which the gentleman from Michigan has directed our attention for more than 5 minutes now, will, I think, be amply taken care of when this pending bill is read for amendment. I shall then offer an amendment to cure the very situation he has mentioned with regard to North Vietnam.

Mr. CHAMBERLAIN. Mr. Chairman, may I say that I am heartened by those words, because my colleagues know that I have taken the last few weeks to get the facts on this and call them to the attention of the House. I am glad that my voice has been heard and that something is going to be done about it.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. I yield to the gentleman.

Mr. PELLY. Mr. Chairman, I want to commend the gentleman. I introduced legislation to carry out this purpose, and a report came from the Department of State against the passage of that proposed legislation. I am going to support the gentleman's amendment, and I hope

that we will get some action one way or the other.

Mr. CHAMBERLAIN. Mr. Chairman, I thank my colleague. I would like to say that I have addressed a letter to the Department of State. It is my purpose soon to read it into the RECORD so that all Members of Congress, including the Members of the other body, may know the attitude of our State Department with respect to this deplorable situation. They seem to think that there is nothing wrong with it.

Well, as I say—and I am glad my colleague, the gentleman from New York [Mr. ROONEY] has recognized this—there is a moral issue involved here which goes far beyond the dollar amount of this aid.

Mr. Chairman, we have got to let the nations of the world know that we mean business in Vietnam and that we are not going to continue aid to countries that are supporting North Vietnam.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. PASSMAN. Mr. Chairman, I yield the gentleman 1 additional minute so that I may respond to the gentleman.

The CHAIRMAN. The gentleman is recognized for 1 additional minute.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. Yes; I would be happy to yield to the distinguished gentleman from Louisiana.

Mr. PASSMAN. Certainly, I was not trying to be evasive in giving the gentleman an answer earlier.

We would assume, based upon what has happened in the past, that nations who are shipping into North Vietnam will receive aid, but as I have stated so many times to Members of the House, we pass this bill on an illustrative basis and the only way you can protect the American taxpayer, and for that matter, our foreign policy is to keep the figure low. When you keep these figures high, there is always some way that they can get around to giving aid to countries like Egypt, Yugoslavia, Cambodia, Indonesia, and many others for that matter. I wanted to keep out of that, but I have been preaching this since I have been handling the bill, that you have large sums going into Communist countries.

I wanted the gentleman from Michigan to understand that I was not being evasive. I do not know what the approach will be next year under this bill, but we hope before we finally pass this bill now under consideration an amendment will be adopted that will close the gap to which the gentleman has referred.

Mr. CHAMBERLAIN. Mr. Chairman, I would not want to have this RECORD indicate that the gentleman from Louisiana was being evasive in the slightest. I discussed this with my colleague before and he is most cooperative about this. He understands the situation, and I am certain that we share the same views with respect to shipping to North Vietnam by free world nations.

Mr. PASSMAN. If the gentleman will yield further. I hope the gentleman from Michigan understood my statement earlier that my wings had been clipped and all I can do is crow and cackle, and I do not want to be too serious.

Mr. CHAMBERLAIN. I thank the gentleman for his contribution.

Mr. PASSMAN. Mr. Chairman, I yield 6 minutes to the distinguished and very able gentleman, a member of this subcommittee, the gentleman from Maryland [Mr. LONG].

Mr. LONG of Maryland. Mr. Chairman, I am not going to speak on the entire bill, but wish only to address myself to correcting two misleading statements contained in the minority report.

The minority report states on page 15 that there is a definite relationship between the gold outflows and the Federal Government's program of spending in foreign countries.

Mr. Chairman, this is not only incorrect but it is in fact the opposite of the truth. The fact is that our gold outflows are almost entirely to countries that do not now receive, and in most cases, have not received for 5 or 6 years any aid assistance, either military or economic, either grants or Government loans.

Mr. Chairman, of the eight countries which get the overwhelming bulk of our gold in fiscal year 1965, $1.5 billion, 93.8 percent—nearly 94 percent—only one country, Spain, received any foreign aid, and that was less than $9 million—a relatively small item.

Mr. Chairman, nearly all of the aid went to countries which took only 7.2 percent of the U.S. gold.

So, if we are losing gold, it is not because of our present aid program, despite whatever this may have had to do with it in the past.

I think the minority may argue that what we have done in our past programs was to put these countries in the position of buying our gold at the present time. This is quite true. This was our object, to make these countries healthy and prosperous. Many of these countries had cashed in large quantities of gold to buy munitions for World War II. This took the place of our help at that time. After they got their prosperity back, they wanted to buy back their jewelry, and most of this has gone to those countries. So far as the present AID recipient countries are concerned, I cannot conceive of their ever being as prosperous as the countries which are taking our gold. They are going to have a tough problem for many decades to come, and they cannot afford gold. They can afford only to take our help.

The minority report says on page 15:

> Our commercial trade balance with aid-recipient countries has dropped sharply since 1960. The Latin American commercial trade balance is particularly alarming.

Here again I think this is completely wrong and misleading. Since 1959 our policies have required that aid appropriations must be spent wherever possible in the United States for goods and services produced in this country. $6 out of every $7 in aid during 1965 has been spent directly in this country. Of course, not all can be spent directly, because an American military adviser or an AID official cannot go back to the United States to get a haircut. He has to get it right there. Some of it must be spent over there. This has not been responsible for any loss of our commercial trade balance. Since 1960 we have improved our worldwide commerce surplus by $2.2 billion. Actually our foreign aid program has improved U.S. dollars. Our foreign trade program, by giving U.S. dollars to underdeveloped countries and obliging them to spend these dollars in U.S. goods and services has not impaired our commercial trade balances. Very much as if I gave my brother-in-law a lot of money and insisted that he spend it in my store. I would improve my sales. I am not arguing that that is the best way to improve sales but, nevertheless, it would have the effect of increasing business.

The U.S. share of trade with 12 countries rose from 19 percent in 1959–60 to 22 percent in 1963 and 1964. With 20 countries of the Near East and southeast Asia from 21 to 27 percent; with 48 countries in Africa from 7 percent to 9 percent. With 99 developing countries altogether from 25 to 28 percent. Only with Latin America does our share vary slightly, and that is only from 48 to 47 percent.

Thus our trade balance with AID recipient countries has risen during the period set forth in the minority report. The report therefore is incorrect. All we can say about our aid to underdeveloped countries is that it has not hurt our trade.

I want to say in conclusion I support this bill, I am very much in favor of it. I think America can be proud. We are the only great Nation in history that has used its power to give rather than to take. I am proud to be an American when I consider what we are doing here today.

It is remarkable that what we are giving only amounts to about $3 per capita for the countries we are trying to help. It would be amazing if this solved all of the problems in a short period of time.

I think it would also be remarkable if we made no mistakes in view of the lack of experience.

We should not eliminate these programs, but cut away the excess fat.

I support this program, and I urge all my colleagues to do likewise.

Mr. PASSMAN. Mr. Chairman, I yield myself 1 minute.

Mr. SHRIVER. Mr. Chairman, I yield the distinguished chairman of the subcommittee 5 minutes.

Mr. PASSMAN. Mr. Chairman, may I say again in defense of my own integrity and the statements I made earlier in the day that the language in the minority report, in my opinion, is absolutely correct. It is just a coincidence that the language and data in the minority report coincided with what I had established earlier. There is, and I repeat, is a definite relationship between the gold outflow and the Federal Government's program of spending in foreign countries.

We brought this problem to the attention of the committee about 8 years ago that we were giving too freely of our wealth to many countries and that they were building up dollars in excess of their needs for commerce and that the time

would soon come that they would demand gold for their extra dollars. I say again the record is accurate.

I respect the views of the gentleman from Maryland. But this is data that I have also used in the past.

As to the table found on page 20, again it was just a coincidence that the minority included that in their report. The recipients of this program did, during those 8 years, purchase $7,013 million of our gold. Further, it was aid that we gave to them in 1958, 1959, 1960, and 1961 which, I say, when they got ready to spend the dollars that they had accumulated, they bought our gold.

Also, in the bill being considered by the House today, the analysis of the 1966 budget indicates 43 of the countries contained in the gold table found on page 20 will receive foreign aid, economic and military, in the amounts of over $1,300 million.

I do not think this is a "relationship." I think it is a direct cause of the gold outflow. As I have said on so many occasions before, there are no facts or statistics that will disprove the accuracy of my statement and the accuracy of the contention contained in the minority report.

I had to make this statement in defense of what I said earlier today. I want to commend the gentleman from Kansas [Mr. SHRIVER], for putting this data in the minority report, because it is something that I had toyed with previously, but I did not have the votes to get it in the majority report.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 10871 because as an American I am proud of what my fellow Americans are doing to help the less fortunate in foreign lands.

More than 5,000 AID technicians—all Americans—are today working shoulder-to-shoulder with the people of the recipient countries showing them better ways to build things, better ways to grow things, better ways to educate their children, better ways to improve public health, better ways of public administration—and in general, better ways of living.

Our technical assistance has helped to achieve agrarian reform in the Philippines, conquered malaria in Free China, taught do-it-yourself home building in Guatemala, attacked illiteracy in Colombia, modernized agricultural techniques in Vietnam, and set up farm cooperatives in Nigeria.

In India, technical assistance has helped to train teachers, establish a major fishing industry, solve production and marketing problems in private industry, and establish first-class training institutions for engineers, industrial technicians and agricultural experts.

In Chile, it has helped to effect tax reform and improved tax collections systems, create a savings and loan system, and provide decent housing for low-income families.

In South Vietnam, U.S. technical assistance has helped to raise farm output, organize village health services and education programs, stamp out malaria, and initiate a public safety program against Vietcong attacks.

In Nigeria, technical assistance has helped to create a modern poultry industry, increase cement output, expand private industry, and reshape the educational system.

In Jordan, our technical assistance has meant a thriving tourist industry, more irrigation projects, tax reforms, and improved civil service administration.

Because we have learned that American assistance can have lasting effect only to the degree that it improves the ability of another country to do something for itself, we have set up as an objective of technical assistance the helping of developing countries to get on their own feet, by creating the facilities and the institutions, and training the people to solve their own problems.

It is important that we leave not only physical results—a dam, a road or a factory—but people who are ready, willing, and able to continue their own development when we have departed from their country. This is the mission of technical assistance of our aid program, and for this reason, if not for any other, H.R. 10871 deserves our full support.

As Americans we who believe more than any other people on earth in the concept of world brotherhood, we should take pride in this unselfish effort.

Mr. PATTEN. Mr. Chairman, the very nature of Communist theory makes the military assistance program of the foreign aid bill an essential part of our foreign policy.

Communists are pledged to an international conspiracy to end systems of free enterprise and replace them with totalitarianism. If we are dedicated to the independence of the individual, we cannot sit idly by as Communists infiltrate one country after another. The security of the United States is at stake; the dignity of man in the balance.

An appropriation of $1,170 million is requested for military assistance this fiscal year. About 72 percent of these funds will go to just 11 "forward defense" countries stretching from Greece to Korea along the Communist frontier. Without this aid, much greater burdens would have to be borne directly by our own military forces.

The request this year consists of a basic program of $1 billion to meet minimum essential needs plus an additional $170 million to cover extraordinary costs in Vietnam and Laos.

The total request is more than a quarter of a billion less than the annual average appropriation for fiscal years 1960 through 1964, and almost $5 billion less than the peak appropriation at the time of the Korean war and NATO buildup. We have been able to reduce and, in some cases, eliminate programs in countries of increasing economic strength.

Credit sales are used more and more to supplement or substitute for military assistance grants.

Much of our military assistance goes for the purchase of a wide range of defense equipment and other materials. Training is also an essential component. Many present and future military leaders are brought to the United States to observe the functions of a responsible military establishment under civilian direction.

Military assistance also makes a direct contribution to U.S. security by providing funds for U.S. participation in collective security organizations such as NATO, CENTO, and SEATO.

Today the free world needs the strength and support of the United States. We cannot abandon our small allies to dictatorship. With our help they have a chance. Without it, they are lost. And, perhaps, so are we.

Mr. LANGEN. Mr. Chairman, we are being asked to vote for an increase of about $35 million over last year's appropriation for the foreign aid program. I consider this completely indefensible and suggest instead that the amount can be substantially cut without any impairment of the aid program or international relationships.

The record in the past is only too clear. Foreign aid dollars have failed miserably in stopping the advance of communism in the world and have too often been used by the world's dictators as ammunition against the free world. There has been little guarantee that our money has ever reached the people for whom it was intended.

The American people, it seems to me, share the view that the foreign aid program should be completely revamped. The people want assurances that their money goes to those who really need and appreciate it. They have not had those assurances in the past and they will not find assurances in the bill before us. The American people are extremely generous, and would not hesitate to spend the three-plus-billions of dollars asked if our Nation was really benefiting and the recipient nations were really using the funds to best advantage.

Foreign aid is said to be a tool of our foreign policy, and that is exactly what it should be. But it has failed in large measure in being a tool of any sort. We still continue to pass our aid to countries that are not only unfriendly, but openly hostile, siding constantly with our enemies. And when we try to write even one sentence into legislation in an effort to cut off such aid to hostile nations, the administration cries in anguish that our whole foreign policy will be impaired. We also hear the same cries of anguish when we try to cut a few dollars from the appropriation. But we have cut funds before and I dare say our foreign relations never suffered from a lack of funds. Our image may have become tarnished around the world in recent years, but as we pointed out in the minority views accompanying this bill, the impairment in our image was not due to any reduced amounts of foreign aid.

Mr. Chairman, Congress has completely lost its control over our foreign aid program. Once we appropriate the money, anything can happen. It is startling to note from the committee testimony that it would be perfectly possible for administrators of the aid program to testify before the committee requesting funds for a building and loan bank in Guatemala and then turn around and build a mountain resort in Brazil with the

money. The program's administration is so lax that the Congress does not even hear about certain projects until after they have failed miserably through bungling and mismanagement.

In other words, the Congress and the American people have no effective way of stopping this foolish spending except to slash the funds available. I suggest we do just that and then develop a program that will really aid the needy of the world.

Actually, the present foreign aid program represents preferential treatment of foreign nations over the people of the United States. If anyone in our country wants a new dam, a flood control project, or any other local program, the interested parties must come to Congress with a workable plan. But not so with foreign interests and the foreign aid people. If they did have to come to Congress to justify their programs we would see fewer roads that lead to nowhere, fewer TV sets sent to bush country where there are no transmitters or electricity, fewer hay balers to a country that does not raise hay, and less eye shadow and bubble gum to Turkey.

Perhaps I would not be so concerned about all of this if the three-plus billions being considered today actually represented all of our foreign aid effort. But it does not. Requests for foreign assistance submitted to Congress this year amount to over $7½ billion. And the unexpended balance—pipeline—as of June 30, 1965, is estimated to be over $10.6 billion.

The balance of trade has shown a significant trend. Some countries have been receiving our aid since the days of the Marshall Plan, and you would expect that it would have opened the way for increased U.S. trade. However, our commercial trade balance is in a significant downward glide.

The advocates of uncontrolled foreign aid tell us that it has no effect on the critical outflow of gold. But the facts indicate otherwise. For the 7-year period of 1958 through 1964, 57 countries who have received $14.4 billion of our assistance also have purchased over $7 billion in U.S. gold stocks during the same period. Fourteen of those countries bought an additional $769 million of our gold during the first quarter of this calendar year 1965. These figures do not even include the benefits these countries have received in special tariff considerations on marketing their sugar, beef and other commodities in the United States.

We are told not to worry about the dollars spent on foreign aid because most of them are spent right here in this country. This is a myth that simply is not true. Close examination reveals that we are talking about only total commodity purchases. For example, in fiscal year 1963, $855 million was spent on commodities out of total foreign aid grants and loans of $5.17 billion.

Mr. Speaker, we in the minority on the Appropriations Committee believe that foreign assistance can be worthwhile, but we cannot subscribe to the present system. The focus of our foreign aid program should be upon responsive projects that use our abundance of food to feed the unfortunate peoples of the world where starvation is all too prevalent. And initiation of educational programs are needed to help the people of newly emerging nations to better enable them to take their place in a continually more complex civilization.

Until those worthy objectives have been accomplished, I suggest that we put a stop to the present program.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

All time has expired. The Clerk will read.

The Clerk read as follows:

Contingency fund, southeast Asia: For expenses authorized by section 451(a), $89,000,000.

Mr. GROSS. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, it has been interesting to hear, starting with consideration of this bill on the floor of the House, the attempts to soft pedal the Pakistan-India war that is now going on. For years some of us have warned, and we were voices in the wilderness, that this Government was arming and otherwise aiding some countries thus making it possible for them to go to war against each other. I do not know why the attempt is being made here today to minimize the war between India and Pakistan because as a result of this bill and maladministration of the foreign handout program there will be a continuation of the fatal errors already made.

This Government spent hundreds of million of dollars, yes billions, arming and otherwise helping those two countries. Yet it was only a few weeks ago that Prime Minister Shastri of India went to Moscow and while there told us we should get out of South Vietnam. He did our cause no good around the world by issuing such a statement. We have been trying to get some help in Vietnam. As a result of the $130 billion that has been expended by this country around the world since the end of World War II on foreign giveaways, where have we found any friends to help us with the fighting and dying in Vietnam?

Still the leader of India goes to Moscow and while there tells us that we ought to get out of Vietnam, and gives comfort to those around the world who say, "We are delighted that you are doing the fighting. You go ahead and do the fighting and the dying."

A little while ago the gentleman from Ohio [Mr. BOW] asked where the money is going to come from to pay this bill. The same question has been asked year after year. The answer he gets is a lot of silence, as usual, from those who are so free with the money of others. I am afraid the gentleman from Ohio is a little bit too old fashioned to qualify for membership in the Great Society. Too few are concerned about the debt and deficits in this country, but they are concerned about deficits in foreign countries. As I mentioned a little while ago, the handout artists gave $15 million to the government of Ecuador because of their budget deficit, when they had the credit to borrow money from the International Monetary Fund.

The gentleman from Maryland has tried to make an issue of the fact that we are not giving economic aid to some of the countries which are buying our gold. For example, let us consider France. We are no longer giving economic aid to France and probably not very much military assistance. But what would be the situation if France assumed the responsibility of defending France against the Communist conspiracy instead of the United States maintaining four or five divisions in Europe at being expense to American taxpayers?

We ought to bring those divisions home. France ought to be spending the money and providing the troops to defend France. She would not have quite so much money to buy our gold if she were providing her own defenses. The same statement applies to other countries of Europe.

After all these years, I think I have found the real answer to the attempts of the foreign aiders to rationalize the spending of our money around the world. I wish to read very briefly from page 1508 of the committee hearings when the subject of Togo was before the committee. The gentleman from Kansas [Mr. SHRIVER] asked the following question:

What is the purpose of our putting money into that country when other countries have been contributing toward their economic development?

Mr. HUTCHINSON's answer for the aid outfit was as follows:

The basic rationale is what I gave you earlier. The necessity for them showing that someone is interested in them rather than the people they used to have their dependence upon.

It was not a question of real need; it is a proposition of showing them that we are big, open-handed spenders; that we simply cannot let anyone prevent the Great Society from dissipating the resources of this Republic.

Mr. Chairman, this bill is a repeat performance of every other multi-billion dollar handout that has come down the pike for the past 17 years that I have been a Member of Congress. The American taxpayers are again being jobbed by those who have no policy except to continue the discredited effort to buy and bribe around the world.

Apparently it is utterly futile to try to cut this bill in the interests of trying to save this country from ultimate bankruptcy. I will vote against the bill.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. FISHER. Mr. Chairman, I rise to give my wholehearted support to that portion of the military assistance program which is directed to Nationalist China. The amount of money for Formosa is, of course, a classified figure, but I engage in no breach of security when I express my satisfaction that it is a figure larger than last year or the year before. We know from what has happened during the past decade that we get more for every dollar that is spent in military aid to our friends in the Republic of China than perhaps any other

place in the world. That return is in the form of mutual security.

Our country is being honored at this time by a visit from the wife of the President of the Republic of China. Madame Chiang Kai-shek is one of the world's greatest women. She is universally respected and admired by the American people. She has been closely identified with the great struggle for human freedom in the Pacific area. We can benefit from her wise counsel and sound judgment.

Mr. Chairman, many of us have doubted the justification for billions of dollars in foreign economic aid which has not been productive of good results in recent years. I think history has vindicated our judgment in opposing many projects which have involved vast amounts of waste and extravagance. That, however, has not been the case in Formosa, where there is something tangible to show for our efforts. It is unfortunate that economic and military aid have always been lumped together in the same bills ever since foreign aid began. The two should be treated separately.

Our country, both through its economic-aid program and its military assistance, has helped to weld a powerful military force on the island of Formosa. Today there are some 600,000 combat-ready troops plus a capable Air Force, a relatively small but effective Navy and other supporting units. With the situation being what it is in southeast Asia, there is no need to belabor the importance of these forces of the Republic of China to our own interests in the Far East—and indeed, throughout the world.

We hear and read much about the committed and uncommitted nations. There is no more committed nation than the Republic of China. They are ready—they are more than ready—they are anxious—to uphold freedom, and this they have proved over the last 16 years.

Sometimes we wonder who are our friends and how long they will remain our friends; we need have no doubt in this respect so far as Formosa is concerned. We have no better friends—and at this juncture in world affairs, we have no more important friends.

Our investment, both in economic and military aid, has, of course, been very large. And no assistance has provided greater rewards. Even if we were to view these large expenditures from the most narrow, parochial, and selfish standpoint, we would be justified in continuing our military aid to the Republic of China for the sole purpose of protecting the large investment which we have already made.

We are all aware that our economic aid to the Republic of China has now come to an end and there may be those who would say that this being so, the Republic of China is now capable of taking care of itself not only economically but militarily. Nothing could be further from the truth. The end of economic aid programs in Taiwan does not mean that the Chinese have become rich. Per capita income averages only $150 a year as compared with something over $2,500 in the United States. We would be short-sighted and foolish to even consider stopping or lessening our military aid to this bastion of freedom in the Far East.

It will be recalled that when a bill was being considered by the other body, an amendment was offered to add $100 million to the amount in the bill for Formosa. The amendment was withdrawn and I must say that I regret this fact. It is my understanding from a reading of the RECORD that the amendment was withdrawn for only one reason—and that reason is that assurances were given which made the amendment unnecessary. I am not aware of the details underlying these assurances but I have every reason to believe that they must have been of a very persuasive nature.

A mere glance at a map of the far Pacific makes immediately evident the importance of the island chain of which Formosa is a vital link. This whole island chain furnishes bases to support the operation in South Vietnam and elsewhere in southeast Asia.

Although highly unlikely at this time, it is certainly not beyond the realm of possibility that our own air and naval forces might at some time be required to take over the primary role in the containing of Communist China. Should that eventuality occur, these island bases are indispensable to that mission.

Today we have base facilities on Formosa which are, however, only on a standby basis. The security of Formosa is intimately tied to that of Okinawa and the Philippines, the sites of our principal advance air and naval base complexes.

Under no circumstances could this country—or the Western World—permit a Chinese Communist occupation of Formosa since this would expose both Okinawa and the Philippines to Communist infiltration and subversion.

Let us not for a moment forget that only a year ago in their letter to the Soviet Communist Party the Chinese asserted:

> Two-thirds of the world's population need to make revolution * * * Violent revolution is a universal law of proletarian revolution. To realize the transition to socialism, the proletariat must wage armed struggle, smash the old state machine, and establish the dictatorship of the proletariat.

Red China now has a nuclear capability and the Free Chinese on Formosa feel more sharply than any of their Asian neighbors the shock of the Chinese Communist nuclear explosion for the very simple reason that they believe it foreshadows a military capability aimed directly at them. The Communists across the narrow straits that separate Formosa from Red China continue to pursue their campaign of political denunciation and military threat.

As Secretary McNamara testified to the Armed Services Committee earlier this year—

> The Chinese on Taiwan (Formosa) must maintain, and we must continue to help them support, large modern military forces if their territory is to be defended.

And I will add, if all of our varied interests in the Far East are to be defended.

Perhaps there is no better summary of our national attitude toward Formosa than that expressed by Secretary of State Rusk during his visit to Taipei last year. During that visit he said:

> The Communist regime on the mainland of China calls itself revolutionary and boasts of progress, despite the fact that its policies have inflicted terrible setbacks on the people of the mainland. It is the Government and people of the Republic of China who have been carrying out successfully progressive programs which reflect the true revolutionary inheritance of the three people's principles of Dr. Sun Yat-sen. These forward-looking programs continue to improve the well-being of the people of the Republic of China.
>
> I salute the resolute will and positive achievement of the Republic of China under the leadership of President Chiang Kai-shek. The American people have always regarded the Chinese people with admiration. We value you as stalwart comrades in the struggle to secure a more prosperous, just, and satisfying life for all free men everywhere, and a peace safe from the threats of aggression. I look forward to discussions with your leaders on the major problems facing free men today. May the friendship and close understanding between our two peoples, as your own phrase puts it, live 10,000 years.

Let me conclude with this flat statement: We should give every measure of support to the Republic of China that is within our power. They are a stabilizing force in the Far East at this moment. They are a potential striking force at any time from this moment on should that necessity arise.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> Page 3, line 12: Administrative expenses: For expenses authorized by section 637(a), $54,240,000.

Mr. BENNETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have long been a critic of how the foreign aid program has recently been carried out by our Government, and this criticism is felt by millions of Americans and by a large portion of Congress.

The tremendous financial outlay for foreign aid today is a great drain on the country's fiscal strength, especially in view of the recent large spending programs passed by Congress, and the real necessity to spend many billions of dollars on our military mission in Vietnam.

It is obvious that tremendous administrative improvements must be made in the foreign aid program and waste eliminated wherever possible.

Besides that, the program is far too flexible and lacks specific congressional attention and restriction to individual projects and countries.

I am a strong advocate of the military program of the foreign aid legislation being placed in the Department of Defense with review by Congress coming through the House and Senate Armed Services Committees. The military items should get the close scrutiny and careful attention that is given our own military expenditures. Nothing like this or even approaching this is presently the case and with more money going into crisis areas around the world we need this more than ever.

As we debate the appropriations measure in our foreign assistance program of 1966, let us now note that it is time to consider the next foreign aid program. We now need to study our whole approach to overseas spending, including payments to the United Nations, and to find a fresh approach to foreign aid which will best serve our national interest and keep the peace.

I have already mentioned the need to split the military aid and the economic aid portions of the program. I would also hope that further study might be given to my legislation which would ban payments to the United Nations for programs contrary to the policies of the United States.

The Vietnam war, the Dominican revolt, and the current fighting between India and Pakistan are all involved with our overall foreign aid program. There is no better time than now to make sure we are spending our foreign aid money in the right place at the right time. We should question ourselves as to whether there would be any war in India and Pakistan today if we had not been pouring U.S. taxpayer dollars in there and increasing our own national debt to do it.

It seems to me we are in a rut with our continued policy of foreign aid.

Let us plan now to split our military and economic assistance.

Let us plan now to have a specific congressional check on all spending in each and every country we support with our aid.

Let us get a fresh approach to the program.

The CHAIRMAN. The Clerk will read.

The CLERK. Page 3, line 19:

Unobligated balances as of June 30, 1965, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available for the fiscal year 1966, for the same general purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance" are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided,* That such purpose relates to a project or program previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.

Mr. GROSS. Mr. Chairman, I make a point of order against the language appearing on page 3, beginning with line 19 and running through the remainder of that page to and through line 13 on page 4.

I made the point of order on the basis that the authorization bill contains section 649, which reads as follows:

SEC. 649. LIMITATION ON AGGREGATE AUTHORIZATION FOR USE IN FISCAL YEAR 1966.—Notwithstanding any other provision of this Act, the aggregate of the total amounts authorized to be appropriated for use during the fiscal year 1966, for furnishing assistance and for administrative expenses under this Act shall not exceed $3,360,000,000.

Mr. Chairman, I point out that listed at the top of page 3 of the committee report is the "carryover from prior year appropriations," in the amount of $158,352,000, which is a part of the unobligated carryover that is controlled under the language which I seek to strike under the point of order.

There is further "deobligations of prior-year obligations" listed in the report at the top of page 3. This is also controlled under the language that I seek to have stricken under the point of order.

Mr. Chairman, it is difficult to find the total amounts of all appropriations contained in the language to be found on pages 3 and 4, to which I have referred, but in order that this bill to be made to conform to the new section that was written into the authorization bill, which has been signed by the President of the United States and is now law, I submit that the language in the bill to which I have referred must be stricken.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. PASSMAN. Yes, Mr. Chairman.

It appears to me that we are dealing with two different acts.

Under the authorizing legislation there was a ceiling of $3,360 million of new appropriations. The bill before the House calls for only $3,285 million in new appropriations. Some part of the previous money appropriated is 1-year funds and does not necessarily carry over, and we are following the language in the authorizing legislation itself.

I refer to section 645 of the Foreign Assistance Act of 1961 as amended:

Unexpended balances of funds made available pursuant to this Act, the Mutual Security Act of 1954, as amended or Public Law 86-735 are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

Mr. Chairman, I ask for a ruling.

Mr. GERALD R. FORD. Mr. Chairman, I should like to be heard on the point of order.

I believe it is necessary to read section 649, as shown on page 10 of the authorization conference report, very carefully. I read from page 10, section 649:

Limitation on aggregate authorization for use in fiscal year 1966.

I refer specifically to the inclusion of the words, "aggregate authorization."

The language goes on:

Notwithstanding any other provision of this Act, the aggregate of the total amounts authorized to be appropriated—

I repeat:

the aggregate of the total amounts authorized to be appropriated for use during the fiscal year 1966 for furnishing assistance and for administrative expenses under this Act shall not exceed $3,360,000,000.

Now, the aggregate of the total amount is the $3,285 million in new appropriations plus an admitted amount of reappropriations of prior year appropriations under this act.

Under this act—under this act, I emphasize and reemphasize. The provision which the gentleman from Iowa seeks to strike on the point of order at the bottom of page 3 and the top of page 4 of the bill refers to all appropriations under this act, title I. I cannot help but argue as emphatically as I can that when you take the new money and the unobligated balances which are reappropriated, you inevitably go above the ceiling of the aggregate total amounts which are limited by the authorization act as is indicated in the report. It seems to me beyond any question of doubt the gentleman's point of order is valid.

Mr. MAHON. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I believe that the remarks made by the gentleman from Louisiana [Mr. PASSMAN] well cover the case before the Chair. I would point out that the gentleman from Michigan [Mr. GERALD R. FORD] made reference to the aggregate authorization. If you turn over to page 25 of the conference report on the authorizing bill, in the second paragraph, I think we see that the language quoted by the gentleman from Michigan has reference only to the appropriation of new funds. It does not seem to apply to reappropriations and recoveries. I would read the language which the committee inserted in the report:

This sum must be measured against the Executive appropriation request for fiscal year 1966 of $3,459,670,000.

This is the figure which is being discussed in the language of the bill and so pointed out here in this conference report. Now I will continue, if I may:

The later figure includes amounts specifically authorized in this bill as well as the Executive appropriation requests against sums previously authorized for the Development Loan Fund, the Alliance for Progress, and for State Department administrative expenses.

And so forth. My point is that the language in the law quoted by the gentleman from Michigan and the gentleman from Iowa must be considered in the context of the budget request for new and not previously appropriated funds; namely about $3.4 billion.

Mr. GERALD R. FORD. Mr. Chairman, I would like to be heard further on the point of order, if I may, please.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, I believe that the Chair has to look at this problem from the point of view of the availability of funds to the executive branch of the Government. The funds that come from new appropriations are identical as far as the executive branch of the Government is concerned with funds that come from reappropriation of prior year funds. Obligational authority is not different in either case. I refer specifically again, if I may, to section 649. Obviously they had in mind

actual obligational authority from any and all sources, because they said:

Limitation on aggregate authorization for use in fiscal year 1966.

They go on to say:

Notwithstanding any other provision of this act, the aggregate of the total amounts authorized to be appropriated for use during fiscal year 1966 for furnishing assistance and for administrative expenses under this act shall not exceed $3,360 million.

They say "the aggregate of the total amounts."

The Chair must appreciate that "total" means both new money and reappropriated funds. It is a clear-cut case that the conference report states all funds which would include new appropriations as well as reappropriations of unobligated balances from prior years.

Mr. PASSMAN. Mr. Chairman, may I be heard further on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Louisiana.

Mr. PASSMAN. On page 10, section 649:

Limitation on aggregate authorization for use in fiscal year 1966.—Notwithstanding any other provision of this Act, the aggregate of the total amounts authorized to be appropriated for use during the fiscal year 1966 for furnishing assistance and for administrative expenses under this Act shall not exceed $3,360,000,000.

In each and every case the agency documents what the $3,360 million represented. Had the conference intended to cancel out any prior year appropriations or unexpended funds they would have deleted from the bill section 645 which reads—at the expense of repetition—as follows:

SEC. 645. UNEXPENDED BALANCES.—Unexpended balances of funds made available pursuant to this Act, the Mutual Security Act of 1954, as amended or Public Law 86–735 are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

I contend if they did not want the Department and the Congress to have the right to continue the unobligated funds then certainly section 645 would have been deleted from the Foreign Assistance Act.

Mr. MORGAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I want to assure the gentleman from Michigan, as the head of the House conferees, that the House conferees did not have the intention that he just stated. We considered the words "to be appropriated during fiscal year 1966" to mean new money only. The House conferees did not consider that section 649 would apply to any but new funds, and so stated on page 25 of the conference report. The present bill appropriates only $3,285 million in new money. The rest of the funds listed in the table on page 3 of the Appropriations Committee report refer to reappropriations of prior year appropriations.

Mr. GERALD R. FORD. Mr. Chairman, if I may be heard further, naturally I have great respect for the observations of the gentleman from Pennsylvania, the chairman of the House Committee on Foreign Affairs. But the clear language of section 649 does not coincide with the statement just made by the gentleman from Pennsylvania. I have read and reread the statement on the part of the managers, of which the gentleman from Pennsylvania was a part, and I find no such explanation on pages 24 or 25, that coincide with the statement just made by the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, if the gentleman will reread the statement made by the gentleman from Texas I am sure the explanation is definite that we did not mean what the gentleman has stated. Read the entire paragraph on page 25, and I am sure you will understand the explanation.

Mr. GERALD R. FORD. Mr. Chairman I have read and reread that paragraph and it does not undermine the clear language of section 649 which speaks of "the aggregate of the total amounts authorized to be appropriated." When you talk about "the aggregate of total amounts authorized to be appropriated" you inevitably, invariably have to include not only new obligation authority but the reappropriation of previous unobligated balances from prior years. All are one and the same insofar as the impact on the Treasury is concerned.

They are one and the same thing from the point of view, Mr. Chairman, of the executive branch of the Government, and under that interpretation, which I think is clear and unequivocal, the point of order of the gentleman from Iowa [Mr. GROSS] is valid.

The CHAIRMAN (Mr. PRICE). The Chair is prepared to rule.

The gentleman from Iowa made his point of order against the language on line 19, page 3, and through line 13 on page 4.

The Chair, after careful examination of the sections in the conference report referred to by the various Members who have commented on this point of order, is constrained to agree that the language found in the conference report on page 25 referred to authorizations contained in that particular bill and pertains only to new money.

There is a definite feeling on the part of the Chair that it did not pertain to carryover funds or to the making available of funds which under section 645 would remain and continue to be available.

The Chair feels that section 645 is sufficient to make these carryover funds in order and the Chair, therefore, overrules the point of order.

The Clerk will read.

The Clerk read as follows:

Page 7, line 10:

"SEC. 107. (a) No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, in addition to those items contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, any arms, ammunition, implements of war, atomic energy materials, or any other articles, materials, or supplies of primary strategic significance used in the production of arms, ammunition, and implements of war or of strategic significance to the conduct of war, including petroleum products."

AMENDMENT OFFERED BY MR. ROONEY OF NEW YORK

Mr. ROONEY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY of New York: On page 7, line 14, after the comma insert "or to North Vietnam," and on page 8, line 2, after the comma insert "or to North Vietnam".

Mr. ROONEY of New York. Mr. Chairman, I should like to briefly explain this pending amendment. This is the amendment that I mentioned during the course of the colloquy a while ago with the distinguished gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. Chairman, this amendment would add the words "or to North Vietnam" to the first part of section 107 on page 7 of the bill, and the same words to the second or (b) section of section 107 at page 8 of the bill, the first of these referring to military assistance and the second to economic assistance.

Mr. Chairman, under this language no country may receive military assistance or economic assistance that sells, furnishes or permit any ships under its registry to carry the various items mentioned at page 7 of the bill to North Vietnam. That is it, pure and simple.

I have discussed this amendment at length with the distinguished gentleman from Louisiana [Mr. PASSMAN] and I believe he would agree that this amendment should be adopted.

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I should like to commend the gentleman from New York for offering this amendment, and to say that it is precisely the amendment I had intended to offer at this time.

I may say that by the adoption of this amendment we will make it clear to the countries of the world that we in the Congress do not intend to use the money we are exacting from our taxpayers to support any nation that is aiding North Vietnam. I commend the gentleman for the offering of the amendment, and I urge its adoption.

Mr. MOORE. Mr. Chairman, I rise in support of this amendment which would bar aid to nations whose vessels trade with Communist North Vietnam. I have recently been advised that Hanoi gets 45 percent of its imports from recipients of American aid. I have long found it difficult to understand the lack of active cooperation among our allies, especially those countries which would be in immediate danger of Communist infiltration and domination if the Communist Vietcong should capture control of the Saigon government. The inconsistency of asking the American taxpayer to pay the tax bill for the war in Vietnam and at the same time asking

them to contribute their tax money to aid countries that are obviously supplying our enemy seems incredible to me.

For this reason, Mr. Chairman, I am planning later in the day to introduce legislation to prevent the use of American ports by vessels of any foreign nation which allows its vessels to trade with Communist North Vietnam. This seems to me to be the only method of stopping this ridiculous situation. I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ROONEY].

The amendment was agreed to.

The Clerk read.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that the entire bill be considered as read, and open to amendment at any point.

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

There was no objection.

The CHAIRMAN. Are there any points of order remaining to any section of the bill?

If not, the Chair will receive amendments.

AMENDMENT OFFERED BY MR. THOMSON OF WISCONSIN

Mr. THOMSON of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wisconsin: Page 12, immediately after line 7, insert the following new section:

"SEC. 116. None of the funds appropriated or made available under this act for carrying out the Foreign Assistance Act of 1961, as amended (except part II of that act), may be used to make payments with respect to any contract to which the United States is a party which provides for research into the administrative organization or operation, or personnel practices, of the Agency for International Development.

Mr. THOMSON of Wisconsin. Mr. Chairman, this is the amendment to which I referred during debate earlier in the day in my references to the craze of the Agency for International Development to enter into contracts.

As of last December the agency had entered into over $400 million worth of contracts with universities and other corporate entities for doing the work of the AID agency. They have spent $25 million in the field of research with these various corporations and universities. Much of the money they have wasted has been spent in searching out problems of their own agency.

For instance, they spent $284,000 on contracts with a concern to tell them what kind of people they should hire for overseas assignments, and particularly for the four top jobs in their mission.

After reading the report that came back from after more than a quarter of a million dollars of expenditures, about all you could say for them was they were told not to put a square peg in a round hole.

It was an absolute waste of the taxpayers' money. It is something that should have been done with an interagency report and certainly it is something that should have been known to the agency after all the years they have been operating overseas. They certainly should have known what the jobs are of the four top people in the agencies abroad.

This is a very mild restraint to place upon this agency, an agency which is contracting out an increasing part of their own work. But it would be a little warning to the agency that this policy of contracting and contracting and contracting out, which I say is a craze for contracts in the agency, was not going to be tolerated without scrutiny by the Congress. I think it is time that we tapped their wrist a little bit, gently at first, and just restrict them so that they cannot use this money for research into the administrative organization of their own agency. Possibly next year the Committee on Foreign Affairs can take a long hard look at the way money is being spent in this contract policy.

I am hopeful the committee and the chairman will accept this amendment to place a little restraint on the agency. It is not going to involve a great deal of money but it will be a little warning to them that this policy of theirs is receiving the attention of this Congress and it will perhaps save a little money along the way.

Mr. PASSMAN. Mr. Chairman, I am constrained to rise in opposition to the amendment.

Mr. Chairman, had I known in advance that an amendment of this type would be offered and had it been discussed with the subcommittee prior to the completion of the hearings or subsequent thereto so that we could have considered the impact of the amendment, no doubt we would have found some merit in it.

It is my understanding that the total cost of research today in our Government is in excess of $14 billion. In my candid opinion this is one place, inasmuch as it deals with personnel, in the AID agency, that this research is a good investment. I can assure the gentleman that this committee every year has conducted hearings on the amount of money needed for research. We have placed a limitation on the amount that could be spent for research. The total amount involved in this bill is $12 million. I hope the committee will vote the amendment down. Then I should like, at some subsequent date, to have the distinguished gentleman who is a very able Member of this body but who is not a member of the Committee on Appropriations, or of the subcommittee handling this bill, to give us some indication as to where he would like to have the restrictions applied. But I am of the opinion that we should not approve of this amendment at this time and I trust it will be voted down.

Mr. ROONEY of New York. Mr. Chairman, I respectfully rise to urge defeat of the pending amendment.

Mr. Chairman, I have the utmost respect for the distinguished gentleman from Wisconsin [Mr. THOMSON] who is a fine Member of this body and a hard-working and capable gentleman. But this is the sort of thing that should have been submitted not earlier today but weeks ago. The hearings on this bill started months ago. If this had been submitted, as I say, weeks ago or during the hearings we would then know exactly what this means. But here and presently the situation is such that the committee finds itself confronted with a far-reaching amendment, as I read it, with about 2 minutes to read it. It would provide that none of these funds may be used for—what?—for research contracts. If this amendment were to be adopted, the agency would be prevented from taking steps designed to improve its own procedures.

Mr. Chairman, I respectfully suggest that the pending amendment be defeated and that the distinguished gentleman from Wisconsin [Mr. THOMSON] appear before the Committee on Appropriations the next time we have a foreign aid bill—and I am sure I know somebody who hopes we never have another one. But anyhow, when we do, I am sure proper consideration will be given to his idea at that time.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I yield to the distinguished gentleman from California.

Mr. MILLER. Mr. Chairman, the present trend in research and development is to contract with private industry and with nonprofit organizations to do the research and development that cannot be done in-house, in Government.

The State of California has appealed to, and contracted with, the airplane industry to solve some of its economic and social problems. That action is designed merely to lay the groundwork for the future so that we can draw upon the brains of our country to solve our problems. The approach applies equally as well in the social sciences as it does in the physical sciences. To adopt the amendment would be a step in the wrong direction, and I ask for its defeat.

Mr. THOMSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I am pleased to yield to the distinguished gentleman.

Mr. THOMSON of Wisconsin. I am pleased to have the gentleman yield. I merely wondered why he did not make his eloquent argument in relation to his own amendment that he supported a minute ago in reference to trading with North Vietnam.

Mr. ROONEY of New York. That is a subject that was discussed, not merely for days, but for many, many weeks. I am sure that the gentleman from Wisconsin had no difficulty understanding it.

But at this point in these proceedings, I doubt very much that very many Members of this body understand the content of the gentleman's proposed amendment.

Mr. THOMSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I yield once more briefly to the gentleman from Wisconsin.

Mr. THOMSON of Wisconsin. That is very kind of the gentleman. I understand that the gentleman's amendment

was not offered to the subcommittee. It was not offered to the full committee. It was discussed by the gentleman from Michigan. You picked it up. I wish that you had made your argument against that kind of procedure on your own amendment.

Mr. ROONEY of New York. The gentleman is utterly incorrect; I did not pick anything up. I have not spoken personally with the gentleman from Michigan today. I had no idea that he had an interest in such an amendment or that he was interested in the subject until he spoke here in the well of the House. For 5 minutes he would not permit me to tell him I had already prepared such an amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, the Congress of the United States has long recognized that free enterprise must be encouraged to the maximum extent possible to help the less developed countries achieve satisfactory levels of production and standards of living.

The great private sector of our economy is playing an increasingly important role in helping the developing countries meet their needs for human and material resources. Indeed, in our aid program American universities, business and professional firms, and service organizations play a vital role. There is no field of international development where private enterprise has not an important contribution to make. My colleagues will no doubt find the figures as impressive as I have.

In the field of education, over 100 universities hold more than $172 million in AID contracts for research, surveys, training, and technical assistance at the end of fiscal 1965. As some of their most important work is helping to establish land-grant-type universities and agricultural extension services in the less developed countries, the battle between food production and the population boom may yet be won.

American cooperative and thrift institutions are providing the technical knowledge necessary to develop farm credit and marketing cooperatives, credit unions, savings and loan institutions, and housing and electric power cooperatives. Capital is thus being mobilized at the grassroots level. In just four Latin American countries alone, savings and loan associations have 95,000 members who have saved $32 million. AID-assisted agricultural credit banks in 10 countries—9 of them in Latin America—have made more than 40,000 subloans for farm improvements.

Private American engineering and construction firms are supervising the design and construction of irrigation systems, power dams, fertilizer factories and the like in over 50 countries. These AID-assisted capital projects of some $4 billion will help the developing countries build the groundwork essential to economic growth. To meet the continuing shortage of experienced managerial help, the International Executive Service Corps with strong encouragement from AID was established under private auspices during 1964 to provide the help of experienced American businessmen to entrepreneurs in the less developed countries. Already private business firms in more than 30 countries have expressed interest and the corps is already involved in projects in 12 countries and is considering activity in another 10 countries.

American labor is giving effective assistance to Latin America through AID contracts with the American Institute for Free Labor Development, an organization spearheaded by the AFL–CIO.

Since 1964 wider involvement in the Alliance for Progress has been achieved through the "Partners of the Alliance" program. AID helped to establish and sustain this project in which U.S. communities and their local counterparts in underdeveloped countries, work jointly on problems of mutual interest. Twenty-five active partnerships have been developed and eight more will be activated in the near future.

American voluntary agencies have a long tradition of help to the needy in underdeveloped countries. Their work has not only provided essential food and supplies, but, by demonstrating the effectiveness of voluntary services, has strengthened the growth of voluntary effort in these countries. AID pays $1 of shipping costs for every $20 of supplies privately contributed to these agencies. The number of voluntary agencies working in the field of overseas development assistance is truly astonishing, and they provide a significant counterpart to governmental and intergovernmental efforts. Sixty-one agencies are registered with AID's Advisory Committee on Voluntary Foreign Aid and they are participating among other programs in material aid and relief programs, self-help efforts and refugee assistance.

We can be proud of the results which have been achieved in the foreign aid program by American business firms, universities, labor unions, and private organizations. I have introduced a bill which I believe will permit more efficient use of the experience developed by employees of these private organizations and I hope it will be considered next year; however, I am sure my colleagues will join with me in applauding in the efforts they have been making.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. THOMSON].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not know whether a research contract will be necessary to get the information that I desire. When I spoke on the bill earlier, today, I neglected to ask the gentleman from Louisiana what he could tell the House about a situation in Thailand involving an individual who handled a lot of foreign-aid funds. I understand that a huge estate was left by a general over there who had 40 or 50 wives. I wonder if it will be necessary to employ some contract outfit to find out about that situation, or can the gentleman from Louisiana enlighten us?

Mr. PASSMAN. From a financial standpoint, a man with 50 wives would in all probability have to neglect some of them. There have been many rumors as to the wealth of the former Prime Minister to which the gentleman refers. I understand that it was once set at $139 million; then scaled down to about $60 million, and then down to about $35 million. It was finally brought down to $19 million. If sufficient time is given, they might be able to prove that Thailand owes the late Prime Ministers' estate some money.

Seriously, there is no way to determine the number of wives that the gentleman had, because I understand that he guarded one with great care. I do not know about the other 49, if there were that many. But according to the information given to us during the hearings this year—as shown on page 1129—when we were discussing the amount which the gentleman referred to, the following colloquy took place:

> Mr. PASSMAN. Even $19 million is a lot different than $640,000.
>
> Mr. POATS. The main elements that he held in his name was public lottery, gold imports, paper trade, match production.

That gentleman has been called to the Great Beyond.

We know that "graft" is accepted practice. We do not like it but we have to accept it. In certain parts of the world it is accepted practice to permit public officials to get by with such foolishness.

If the gentleman knows of any way to stop it, and will give me the information, the next time I go overseas I will see if I can get them to stop it.

Mr. GROSS. I can offer a pretty good suggestion as to a way to stop it. I suggest we quit paying off these corrupt government heads around the world. We should stop this business of foreign handouts completely where there is the slightest indication of corruption.

Mr. PASSMAN. I represent the majority of the committee, and not necessarily my personal views. Those have not changed very much since I last reported the bill 2 years ago.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, once again we have before us the foreign aid bill that continues to be controversial. It is controversial now and will continue to be so until a broader, more extensive change in our foreign-aid philosophy takes place. In the first session of the 88th Congress, my first term of service, I brought to the attention of my colleagues the overwhelming need to change the direction, philosophy, and concept of our foreign-aid programs because of the extraordinary number of failures throughout the world. At that time, I strongly urged that stronger emphasis be placed on broadening the participation of the private sector and developing a trend away from the unsuccessful government-to-government approach.

I am frank to admit a marked trend in this direction has become increasingly noticeable as the advocates of government-to-government assistance grudgingly admit they have erred.

While I will oppose the bill on final passage for the many reasons spelled out in the committee report, I want to go on record as supporting the Peace Corps section of the bill. If this section were voted on separately, I am certain, the House would support the Peace Corps overwhelmingly. But, once again, we are forced to accept the bad with the good through the omnibus approach. Again, however, I want to reiterate my position taken in 1963. The Peace Corps effort has been the best part of our foreign aid program but it, too, is limited in scope. We must vigorously advance the private Peace Corps concept. We must tell the leadership of our private sector that they have an obligation to lead the economic offensive throughout the world in order to counter the subversive economic and political offensive of our ideological adversaries—the Soviet Union and the Red Chinese. They are moving in this direction but until the Congress cuts back on foreign aid economic appropriations, we will never have the full commitment required of the private sector. The United States of America was once an underdeveloped country—our history books are filled with tried and proven methods to upgrade the standard of living desired throughout the world. We should preach the gospel of Americanism in every corner of the globe. We should take the offensive in presenting American techniques for development in a manner that is typically American—more leadership and emphasis in the private sector with a diminishing emphasis on public sector participation.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, last night the National Broadcasting Co. presented a 3½-hour so-called spectacular on American foreign policy. While I congratulate the network on this effort to provide the American people with a deeper understanding of history, I regret that, in the considerable discussion over the relative merits—or lack thereof—of foreign aid, the network did not see fit to quote our colleague from Louisiana, the distinguished chairman of the House Appropriations Subcommittee on Foreign Operations, whose observations and expertise on the conduct of the foreign aid program over the past years would have been invaluable to the American people. I find it exceedingly strange that none of our colleagues in either body of the Congress were called upon, especially on the eve of the annual consideration of this appropriation measure by the people-elected representatives.

Certainly, NBC is aware that foreign aid is highly controversial, yet every public figure appearing on the program to discuss the aid program was a supporter of the general concept. No member of either party from either House was queried for any observations on the aid program. Other than spokesmen for recipient countries, only the AID Administrator appeared on the program and he was not about to make any critical comment on the expenditure of over $100 billion used to win friends and influence people.

For many years some very basic reasons have been presented to the Congress setting forth the need for redirecting our entire foreign aid program. American taxpayers in growing numbers have expressed dissatisfaction with many aspects of the foreign aid program, for example, inclusion of the military assistance portion as a "sweetener" toward favorable passage, although not reviewed by the Armed Services Committee.

The ever-growing American commitment in Vietnam, and the heavy cost of that war, make it incumbent upon the Congress to review every program, foreign and domestic, to postpone or eliminate any unnecessary spending. The administration has promised this, but has failed. The magnitude of foreign aid spending is not fully known by the average taxpayer, nor for that matter, even by the above average taxpayer. Total requests for foreign assistance, which have been submitted to Congress this year by the Johnson administration, amount to over $7½ billion. The unexpended balance—or the "pipeline"—as it is called, as of June 30, 1965, is over $10½ billion. These are funds previously authorized, but not yet spent.

Our commercial trade balance with countries receiving aid has dropped sharply since 1960. The Latin American commercial trade balance is particularly alarming. There is a definite relationship between the gold outflow and the Federal Government's programs of spending in foreign countries. The foreign aid program needs a major revamping, and the Senate, plus the bulk of the American people, are in accord with this feeling. I believe our taxpayers would take a far better view of the program if they could see that the accomplishments were more favorable to the people of the recipient countries, and that the United States actually received favorable credit for that which they provide. It seems apparent to me that much of the foreign aid program has been misdirected, or perhaps undirected is a better word. We have given cash grants to dictators, and to neutral, and even unfriendly governments, with little of the benefits reaching the people. Everyone knows that no one can buy friends. As the House minority report on the 1965 foreign aid bill states, foreign aid has not halted either the expansion of communism, nor the drift of many aid recipient countries toward Communist ideologies. Witnesses testified before the committee on the need for separating the military assistance program from the economic aid program, a position I have taken ever since I arrived as a freshman Congressman over 5 years ago. It seems almost incredulous that, in this the 17th year of the foreign aid program, more American embassies were stoned, more libraries were burned, more windows smashed, and more insults hurled than in any year since the program was inaugurated.

There's a television commercial advertising the use of a particular brand of toothpaste that includes the line: "Even your best friends won't tell you." It seems to me that the past year's record of attacks on American buildings overseas should tell us something, even if our best friends will not. It should tell us that no matter how much we spend on foreign aid, it will not gain—or earn—the respect of other nations. Furthermore, I doubt that we are truly aiding them so much, as we are making them dependent on our material resources, when they should be learning to develop and make the most of their own. Many nations receiving American aid are worse off today than they were before. Our aid has been a crutch, which has only caused them to grow more dependent upon American help.

It is one thing to furnish technological help, and education that will enable underdeveloped nations to help themselves; but, regretfully, that has not been the direction of our aid. Instead, we have concentrated on material aid, blissfully ignoring the fact that if we took all of America's material resources and divided them up among the world's population, it would hardly be more than a week's supply.

Even though we may lack the votes in the House to reduce the foreign aid program, the day cannot be too far off when public action will catch up with public opinion and will demand respect for the United States of America, not image alone.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

At the beginning of the discussion on this bill today, the gentleman from Louisiana [Mr. PASSMAN] yielded to me for the reading of a statement which had been approved by the Secretary of State. In fact, I directly quoted the Secretary.

I had anticipated, when this statement was read, that the House would spend much of the afternoon discussing the war between Pakistan and India. The gentleman from Ohio discussed it some, and a few others made reference to it, but I do not believe the matter has been adequately discussed by the House.

Let me quote a portion of the statement by the Secretary of State:

> The United States has suspended military aid shipments to both India and Pakistan, in keeping with its announced policy of full support for the efforts of the Security Council and of the Secretary General. The executive branch will consult fully with appropriate Members of the Congress about the situation in the subcontinent and the conditions under which military aid might be resumed.

One of my friends has indicated that in the motion to recommit it will be proposed that aid be withheld from any nation which is at war with a neighbor which receives assistance from the United States in the aid program. The provision would bar the aid.

The statement by the Secretary does not bar the resumption of aid tomorrow. It says that the aid is now suspended

and will not be resumed without consultation with the leadership of the Congress. Those consulted would I believe include the gentleman from Michigan, the gentleman from Ohio [Mr. Bow], and others.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. The gentleman realizes that the possible amendment to which he refers is one I discussed with him earlier today.

Mr. MAHON. That is correct.

Mr. RHODES of Arizona. A careful reading will convince the gentleman, I am sure, that upon the halting of any aggressive action between these two nations, the President could immediately resume aid.

Mr. MAHON. After they discontinued the aggressive actions the President could resume aid.

Mr. RHODES of Arizona. That is correct.

Mr. MAHON. It is correct.

Mr. RHODES of Arizona. We just do not like to have nations which have been receiving our military assistance shoot at each other. We believe there is something immoral about such a conflict.

Mr. MAHON. We do not like that. None of us likes that.

Let me read the proposed amendment which would be a portion of the motion to recommit, according, I think to the gentleman from Arizona:

None of the funds appropriated or made available pursuant to this act may be used to furnish military assistance under part 2 of the Foreign Assistance Act of 1961 as amended, to any country which is engaging in or preparing for aggressive military efforts directed against any country receiving assistance under the Foreign Assistance Act of 1961, as amended until—

Until what?

until the President determines that such aggressive military efforts or preparation have——

Have what?

have ceased and he reports to the Congress that he has received assurances satisfactory to him that such aggressive military efforts or preparation will not be renewed.

Now, this language shocks and disturbs me greatly. It shocks me to think that we would seriously consider the passage of this proposed provision. I will explain to you why. It is true that all nations which have received military and economic aid are much stronger as a result of this military and economic aid. We hope they are. That has been the purpose of the aid program—to strengthen free nations so that they can join with us in resisting aggression and communism.

Now, let me point out, in providing aid to India and Pakistan we were not blind to the fact that the nearest neighbor to India and Pakistan is Red China. We want Red China to have strong anti-Communist neighbors. Red China has not been mentioned very much in this debate, but it must be mentioned now. Let me say this: should Red China, following the passage of this legislation by the Congress, conclude that "Well, we can now again renew our aggression against India because the hands of the President, the Commander in Chief, the hands of the military forces of the United States are tied by this act of Congress," it would be a horrendous thing for this Government so to tie its hands under these circumstances. We could not go to the aid of India when attacked by Red China as we have previously done. We could not because of this long-standing feud which has ripened into a present conflict between India and Pakistan which may continue for quite some months. This is regrettable, but do not think for a moment that we should tie the hands of the President at such a critical time.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. MAHON] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MAHON. So the point is we would jeopardize the security of the United States by opening the door for Red China to attack India while the circumstances are favorable for such an attack. I say let us give the President the flexibility which he needs in these circumstances. He has withheld aid, and we all approve it for the time being. However, if Red China marches in, if he does not give aid and give it quickly to India, he would be making a tremendous mistake. He would not make such a mistake but would act responsibly in the best interests of the United States. We must not tie the President's hands in an area where our system of government requires him to act. Under this language we would tie his hands.

So I plead with the House not to vote for the motion to recommit which would tie the hands and the President in the event he should need to take action in behalf of India against Red China.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the distinguished Speaker of the House.

Mr. McCORMACK. The gentleman from Texas is making a very powerful appeal to the Members of the House. It is not an appeal to the emotions but an appeal to our reason in connection with the national interest of our own country. To tie the hands of the President by the adoption of this language might be decidedly against the national interest of the United States. Uppermost in the minds of all of us, I know, without regard to party, is the national interest of our country. Who can see history in the making? It is hard and difficult. But we do know there is a terrible situation existing over there that has already developed into a very aggravated state and which is likely to continue along more aggressive lines. Who can tell where it will lead? The Secretary of the United Nations is on a mission to that part of the world. We all hope and pray his mission will be successful. On the one hand Pakistan was our friend. Pakistan has entered into negotiations with Red China to some extent, but Pakistan has not yet left its association with the United States. It was only a few years ago when the U–2 incident occurred when the President of Pakistan was in London and he was asked about it. He said, "My country will investigate," and he added significantly, "But America is our friend." We have here a situation where, as the gentleman has well said, poised on the Indian border are a number of divisions of the Red Chinese. Back of it is the dread of the dangerous shadow and hand of Red China.

Who knows what will happen? Who knows what will occur if this amendment should be adopted? I join, not as a Democrat, but as an American who is serving in this body, with my distinguished friend from Texas, in the national interest of our country, in urging that such an amendment not be adopted.

Mr. MAHON. I thank the distinguished Speaker for his remarks. I know that India has long been more or less a neutral and nonwarlike country. India is not prepared to fight Red China with all its Chinese divisions. So it seems to me that the adoption of an amendment of this type on a motion to recommit would be playing into the hands of Red China. It is the last thing that the gentleman from Arizona [Mr. RHODES] would want to do.

It is for this reason that I pointed out to some of my friends on your side that there was a fatal error in this proposal. I hope that this is obvious to all.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Chairman, the gentleman from Texas has raised an awesome specter. I am sorry that he did not raise it with me prior to this time; he had ample opportunity to do so. The facts are that a perusal of this amendment leads to absolutely the opposite conclusions from those suggested by the gentleman from Texas. Obviously, if Red China were to attack either Pakistan or India, at that time the nation attacked would certainly not be an aggressor, it would be a defender against Communist aggression. This denies aid only to aggressor nations. I say to the gentleman from Texas that he must have completely misread this as to context and intent to have any idea that this was offered to or that it would result in aid or comfort to Red China.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. MAHON] may proceed for 5 additional minutes.

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

There was no objection.

Mr. RHODES of Arizona. The gentleman has made some very unfortunate legislative history here which I hope I have corrected because, while the amendment has not been offered—and I will say to the gentleman from Texas that this amendment will not be offered—still, if it had been offered this discussion would

have been very dangerous legislative history.

Mr. MAHON. I was told that the gentleman's proposal would be a part of a motion to recommit and that the amendment would provide that we would forestall all aid to any country receiving our assistance which is engaged in or even preparing for aggressive military efforts directed against any country receiving assistance under the Foreign Assistance Act of 1961, as amended, until the President determines that such aggressive efforts, and so forth, had ceased.

The President would have to find that Pakistan and India had quit fighting and peace had been restored and he would have to notify Congress before he could move in to assist the cause of freedom in repelling acts of aggression by Red China against India.

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

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

Mr. ALBERT. Mr. Chairman, any fair reading of the amendment bears out the argument, and the telling argument, that the gentleman made when he first started talking; and that is that this might be an invitation for Red China to intervene. We are now giving and we will continue to give, although new commitments will not be made under the President's statement, economic assistance to both countries. But if Red China should move in, under this proposed amendment how could we move in in defense of the nation being assaulted by Red China?

Mr. MAHON. We could not do it because of this prohibition. In my judgment, we will not adopt such a prohibition.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. HAYS. The papers today say that Red China is threatening to come to the assistance of Pakistan. If she did, under the terms of this amendment, we could not help India at all. Our hands would be tied, would they not?

Mr. MAHON. The gentleman is absolutely correct, unless the war ceases and everything is settled and the President makes this finding and reports to Congress.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, I am sure that by now the gentleman from Texas knows that he is making an argument against a phantom amendment, an amendment which is not before the Committee. It is an amendment that will not be offered. So the gentleman is tilting at windmills. Any reading of this proposal, if it had been offered, would not permit a reasonable man in my opinion to come to the conclusion that he has, under the circumstances.

Mr. MAHON. I was told that this would be included in the motion to recommit. I told the gentleman from Michigan that it had a fatal defect which I would expose, if necessary. I believe I have exposed it. I state this with all sincerity, because there is certainly nothing phony about taking action which would be equivalent to inviting Red China to move into India.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the Speaker.

Mr. McCORMACK. Mr. Chairman, I think we are all happy to learn from the minority leader that the amendment referred to will not be included in the motion to recommit.

I think everyone would admit that the gentleman from Texas was justified in anticipating it.

Mr. MAHON. Mr. Chairman, I have accomplished my purpose, if the proposed motion to recommit including this language which I have described has been abandoned. I arose to speak because I felt that the House should not be required to vote on a motion to recommit which had not been discussed. The pitfalls and dangers would perhaps not be readily apparent and I considered some discussion in the public interest.

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

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

Mr. ALBERT. If the paper containing the proposed amendment and which has been circulated as an amendment is phony, I think it has been accurately described.

Mr. BOW. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I say that following the troops from my right, it is rather difficult and I feel as though I need a little aid of some kind to resist such great oratory. But I believe I owe it to the House to talk about the motion to recommit.

Mr. Chairman, I regret that the gentleman from Texas did not discuss the motion to recommit with me, for I would have told him what the motion to recommit was going to be, as I did the Speaker a few minutes ago.

The language of the amendment that was to be offered by the gentleman from Arizona [Mr. RHODES] is not in the motion to recommit.

As to language in the motion to recommit which would withhold aid from opposing countries getting our aid—and I shall read it because I think the House is entitled to know exactly what is going to be in the motion to recommit—one part of the motion will be this, and it goes to the question of the money in the bill:

Notwithstanding any other provisions of this title, of the total sums appropriated under the heading "Economic Assistance," not more than $1,182,460,000 may be used during the fiscal year ending June 30, 1966, for expenses for technical cooperation and development grants, international organizations and programs, Alliance for Progress, development loans, and development loans as authorized by sections 212, 302, 252 of the Foreign Assistance Act of 1961, as amended.

Mr. Chairman, this has to do with the money in the bill under "Economic assistance" and does not affect military assistance which we may need in Vietnam, Korea, and other areas for our own protection. This would reduce the bill by $285 million in areas which the gentleman from Kansas [Mr. SHRIVER] has discussed and which have been fully debated and, therefore, there is no reason for me to go into it. We do not pinpoint the reduction, as this is a responsibility of the agency.

Now, may I speak to the crucial part of this motion. With reference to the funds authorized by military assistance, I will read to you the language of section 17—this is strictly a limitation:

None of the funds provided in this title shall be available for assistance to any country which is engaged in military action in opposition to another country, such countries having been recipients of aid under the Foreign Assistance Act of 1961, as amended, as of July 1, 1965.

Now, Mr. Chairman, let me make it crystal clear that this is a limitation and would be a limitation where our allies might be fighting, such as Pakistan and India. But under this, let us assume that the Red Chinese are poised on the border of India and may come in. May I point out that this is a denial of aid where the countries in the fight have been the recipients of aid.

Now, I am quite sure, although there is so much "secret and confidential" in this bill; we do not always know where the money is going—but I assume that Red China is not getting any aid. So, if the aggression is from Red China into India or into Pakistan, wherever it may be, there is no prohibition here against aid to the country to resist Communist aggression.

Mr. Chairman, we do not stop there. But what we are trying to say to our friends is this: "You cannot take the foreign aid which we are voting, amounting to millions and millions of dollars, to kill each other."

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Ohio.

Mr. HAYS. I am sympathetic with what the gentleman is trying to do, and that is to deny aid to Pakistan and India as long as they are fighting each other; but presume they continue fighting each other, and Red China comes in on the side of Pakistan. India and Pakistan are still fighting with each other, with Red China as an ally of Pakistan. Does not the gentleman's amendment deny aid to India?

Mr. BOW. No, because the aggression comes from a Communist country. If they are not receiving aid, we then can go in.

Mr. HAYS. I do not know who is the aggressor in this thing, whether Pakistan or India, but the thing that bothers me, if you can believe the press, Red China has issued a statement she will come to the assistance of Pakistan.

Mr. BOW. Yes.

Mr. HAYS. Under the language of the gentleman's amendment, as I heard it read, it seems to me unless India would completely quit fighting with Pakistan she could not get any aid, and if she did that she could only fight China while Pakistan was attacking on the other side.

Mr. BOW. I am glad the gentleman raised that question. We are making legislative history here. If the aggression comes from a country which is not the recipient of our aid, then we may aid the defending country. This would be the case in India. We would be permitted to aid India if the aggression comes from Red China.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Louisiana.

Mr. BOGGS. I think what the gentleman from Ohio is saying is not a question of direct aggression from China on India, but indirect aggression, let us say, from Pakistan, which would be the situation that your amendment would prohibit.

Mr. BOW. I believe it does.

Mr. BOGGS. Certainly it does.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent (at the request of Mr. Bow) he was allowed to proceed for 5 additional minutes.)

Mr. BOGGS. Will the gentleman read his proposed motion?

Mr. BOW. None of the funds provided in this title shall be available for assistance to any country which shall engage in military action in opposition to another country, such country having been the recipient——

Mr. BOGGS. Namely, Pakistan or India, either one.

Mr. BOW. Let me complete my statement, and then I will be delighted to yield to the gentleman—which shall engage in military action in opposition to another country, such countries having been the recipients of aid under the Foreign Assistance Act of 1961, as amended.

I yield to the gentleman from Louisiana.

Mr. BOGGS. If certain countries have been the recipient of aid under this program and this country is engaged in war with another country, which is also a recipient, then that country is barred?

Mr. BOW. That is true, as between Pakistan and India.

Mr. BOGGS. The question as posed by the gentleman from Ohio, as I understood it, it is not a direct attack by Red China on India or Pakistan, but an indirect attack through India on Pakistan, or through Pakistan on India, while both are fighting. In such event aid would be barred?

Mr. BOW. So long as the two countries are fighting, but if the opposition comes from a country not receiving this aid then we could give aid to them.

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

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

Mr. ALBERT. If you have the situation where Red China attacks one of two countries that are fighting each other, and you get Red China fighting one, and you have the two countries fighting each other, both of which have received our aid, the gentlemen's amendment means because Pakistan and India are fighting we cannot give any aid to either one or the other, even though one of them happens to be fighting on the side of Red China while fighting the other?

Mr. BOW. I do not agree with the gentleman.

Mr. ALBERT. That is what the gentleman's amendment says.

Mr. BOW. If the opposition comes from the country which is receiving aid, then the aid would stop.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman.

Mr. MOSS. Let us take the case of the announcement this morning where the government of Indonesia indicated very clearly its intention to give support to the government of Pakistan. Now supposing the government of Indonesia becomes a convert for assistance through the Communist bloc nations of the East, Red China. This is assistance that we have and evidently it is going into Pakistan. Then under your amendment we would have to deny assistance both to India and to Pakistan.

Mr. BOW. And to Indonesia.

Mr. MOSS. Well we have already stopped the assistance to Indonesia.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yielded to the gentleman.

Mr. HAYS. The thing that worries me is that the Chinese will do like they did in Korea—send in so-called volunteers through Pakistan to attack India and maybe attack India at the same time. If they do and India still continues to fight, she cannot get any aid; is that right?

Mr. BOW. If the Chinese volunteers such as you had in Korea would go into India, and India was not receiving aid from the United States, there would be no reason why we cannot give aid to fight them.

Mr. HAYS. If the gentleman will yield further, I think the amendment ought to be rewritten and make it crystal clear.

Mr. BOW. May I say this, I am perfectly willing to have this clarified because I think the gentleman from Texas—and I am sure he did not attempt to mislead anyone—did not have this language when he made his statement. That is the reason why I think the House is entitled to have that.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to make an observation here respecting this matter if I might, and I make this observation as one who expects to support the motion to recomit and likewise as one who many times at great political disadvantage to myself back home has supported this foreign aid program since its inception.

Now clearly nothing could be more ridiculous than that we would be sending our arms to the alleged friendly nations that are now warring with one another. I doubt if anyone here would say that that situation is tenable. So all that the gentleman from Ohio asks is that we write that in through the motion to recommit in order that there be no misunderstanding about it. When I came over here even before the gentleman from Texas took the floor, I inquired as to what would be in the motion to recommit. I think these amounts ought to be cut down. I think the Congress needs to deal with this problem involving the war going on between India and Pakistan right now. So when I looked at the motion to recommit, may I say to the gentleman from Texas, it did not have the language about which he complained earlier. I am inclined to agree with the gentleman from Arizona [Mr. RHODES] that you were reading into that proposed language something that is not there. That is not before us now.

It seems to me, Mr. Chairman, that the people over there who call on us to put the interest of our country above everything else—and that we have now done—are now grasping at straws to try to find something wrong with this language. Let me say as a practical matter this measure will go to the other body. The motion to recommit offered by the gentleman from Ohio has said that this is going to be done. It is not subject to amendment. It is not subject to change. But if this language does not do what the gentleman from Ohio says it does and which I say it does, then there will be plenty of opportunity to straighten it out.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, all this year I have been asking for help on the problem of adjusting the funds required for this foreign aid bill through statistics, correspondence, mailing, and so on. I did not get too much encouragement along the way from either side of the aisle. So the Congress in its wisdom—the great Committee on Foreign Affairs of the House and the Committee on Foreign Relations of the Senate authorized $3,360 million. When the bill came before the subcommittee, I do not recall any motions being offered to reduce this bill down to $3 billion, except, I know that the gentleman from Kansas [Mr. SHRIVER] thought the subcommittee recommendation was too high.

The same situation was true when the bill came before the full committee. At that time, it was pretty generally agreed that the amount contained in the bill was the amount that should be recommended. The proposal now comes a little bit late to cut the bill to $3 billion. Had I received that type of encouragement from the distinguished gentleman from Ohio [Mr. Bow] and other Members who are now participating in the effort to recommit the bill, I would have been given new hope. Perhaps those clipped wings would have started sprouting sooner. But to wait until the bill has reached the floor of the House and then to offer a motion to cut the bill to $3 billion, when the proposal had never been discussed at any other meeting so far as I know, is not the way to handle the matter. I hope the motion will be

voted down. If the proponents of the motion continue to feel the way they do, let them make their case before those in the other body who will handle the measure, and we shall see what we can do with the other body in conference.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time, and was read the third time.

MOTION TO RECOMMIT

Mr. BOW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOW. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Bow moves that the bill H.R. 10871 be recommitted to the Committee on Appropriations with instructions to report it back forthwith with the following amendments:

"SEC. 116. Notwithstanding any other provision of this title, of the total of the sums appropriated under the heading 'Economic Assistance', not more than $1,182,460,000 may be used during the fiscal year ending June 30, 1966, for expenses for technical cooperation and development grants, international organizations and programs, Alliance for Progress development loans, and development loans, as authorized by sections 212, 302, 252, and 202(a), respectively, of the Foreign Assistance Act of 1961, as amended.

"SEC. 117. None of the funds provided in this title shall be available for assistance to any country which shall engage in military action in opposition to another country, such countries having been the recipients of aid under the Foreign Assistance Act of 1961, as amended, as of July 1, 1965."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 239, nays 143, not voting 50, as follows:

[Roll No. 269]

YEAS—239

Adams	Gilligan	O'Brien
Addabbo	Gonzalez	O'Hara, Ill.
Albert	Grabowski	O'Hara, Mich.
Anderson, Tenn.	Gray	Olsen, Mont.
	Green, Oreg.	Olson, Minn.
Annunzio	Green, Pa.	O'Neill, Mass.
Arends	Greigg	Ottinger
Ashley	Grider	Passman
Aspinall	Griffin	Patman
Ayres	Hagen, Calif.	Patten
Baldwin	Halleck	Pelly
Bandstra	Halpern	Perkins
Barrett	Hamilton	Philbin
Bates	Hanley	Pickle
Beckworth	Hansen, Iowa	Pike
Bell	Hansen, Wash.	Price
Bingham	Hardy	Pucinski
Blatnik	Harris	Purcell
Boggs	Hathaway	Quie
Boland	Hays	Redlin
Bolling	Hechler	Reid, N.Y.
Brademas	Helstoski	Reuss
Brooks	Hicks	Rhodes, Pa.
Broomfield	Holifield	Rivers, Alaska
Brown, Calif.	Horton	Robison
Burke	Hosmer	Rodino
Byrne, Pa.	Howard	Rogers, Colo.
Cabell	Huot	Ronan
Cahill	Irwin	Rooney, N.Y.
Callan	Jacobs	Rooney, Pa.
Carey	Joelson	Roosevelt
Celler	Johnson, Calif.	Rosenthal
Clark	Jones, Ala.	Rostenkowski
Cleveland	Karsten	Roybal
Clevenger	Karth	St Germain
Cohelan	Kastenmeier	St. Onge
Conable	Keith	Scheuer
Conte	Kelly	Schisler
Conyers	Keogh	Schmidhauser
Cooley	King, Calif.	Schweiker
Corbett	King, Utah	Selden
Corman	Kirwan	Senner
Craley	Kluczynski	Sickles
Culver	Krebs	Slack
Daniels	Kunkel	Smith, Iowa
Dawson	Landrum	Smith, N.Y.
Delaney	Leggett	Springer
Dent	Long, Md.	Stafford
Denton	Love	Staggers
Diggs	McCarthy	Stalbaum
Dingell	McDade	Stratton
Donohue	McDowell	Stubblefield
Dow	McFall	Sullivan
Duncan, Oreg.	McGrath	Sweeney
Dwyer	McVicker	Teague, Calif.
Dyal	Macdonald	Tenzer
Edmondson	Machen	Thompson, N.J.
Edwards, Calif.	Mackay	Thompson, Tex.
Evans, Colo.	Mackie	Todd
Evins, Tenn.	Madden	Trimble
Fallon	Mahon	Tunney
Farbstein	Mailliard	Tupper
Farnum	Matsunaga	Udall
Fascell	Matthews	Ullman
Feighan	Meeds	Van Deerlin
Findley	Miller	Vanik
Flood	Minish	Vigorito
Fogarty	Mink	Vivian
Foley	Monagan	Watts
Ford, Gerald R.	Moorhead	Weltner
Ford, William D.	Morgan	Whalley
	Morrison	White, Idaho
Fraser	Morton	Widnall
Frelinghuysen	Moss	Wolff
Friedel	Multer	Wright
Fulton, Pa.	Murphy, Ill.	Wydler
Fulton, Tenn.	Murphy, N.Y.	Yates
Garmatz	Natcher	Young
Giaimo	Nedzi	Zablocki
Gibbons	Nelsen	
Gilbert	Nix	

NAYS—143

Abbitt	Broyhill, Va.	Colmer
Abernethy	Buchanan	Cramer
Anderson, Ill.	Burleson	Cunningham
Andrews, Glenn	Burton, Utah	Curtin
	Byrnes, Wis.	Curtis
Andrews, N. Dak.	Callaway	Dague
	Carter	Davis, Ga.
Ashmore	Casey	Davis, Wis.
Battin	Cederberg	Devine
Belcher	Chamberlain	Dickinson
Bennett	Chelf	Dole
Betts	Clancy	Dorn
Bow	Clausen, Don H.	Dowdy
Brock		Duncan, Tenn.
Broyhill, N.C.	Collier	Edwards, Ala.
Ellsworth	Latta	Rumsfeld
Erlenborn	Lennon	Satterfield
Everett	Lipscomb	Schneebeli
Fino	Long, La.	Scott
Fisher	McCulloch	Secrest
Flynt	McEwen	Shipley
Fountain	McMillan	Shriver
Gathings	Marsh	Sikes
Gettys	Martin, Nebr.	Skubitz
Goodell	Michel	Smith, Calif.
Gross	Mills	Smith, Va.
Grover	Minshall	Stanton
Gubser	Mize	Steed
Gurney	Moeller	Stephens
Hagan, Ga.	Moore	Talcott
Haley	Morris	Taylor
Hall	Mosher	Teague, Tex.
Hansen, Idaho	Murray	Thomson, Wis.
Harsha	O'Konski	Tuck
Harvey, Ind.	O'Neal, Ga.	Tuten
Harvey, Mich.	Poff	Utt
Henderson	Pool	Waggonner
Herlong	Quillen	Walker, Miss.
Hull	Race	Walker, N. Mex.
Hutchinson	Randall	Watkins
Ichord	Reid, Ill.	Watson
Jarman	Reinecke	White, Tex.
Jennings	Rhodes, Ariz.	Whitener
Johnson, Okla.	Rivers, S.C.	Whitten
Johnson, Pa.	Roberts	Williams
Jonas	Rogers, Fla.	Willis
King, N.Y.	Rogers, Tex.	Wilson, Bob
Laird	Roudebush	Wyatt
Langen	Roush	

NOT VOTING—50

Adair	Fuqua	Morse
Andrews, George W.	Gallagher	Pepper
	Griffiths	Pirnie
Ashbrook	Hanna	Poage
Baring	Hawkins	Powell
Berry	Hébert	Reifel
Bolton	Holland	Resnick
Bonner	Hungate	Roncalio
Bray	Jones, Mo.	Ryan
Burton, Calif.	Kee	Saylor
Cameron	Kornegay	Sisk
Clawson, Del	Lindsay	Thomas
Daddario	McClory	Toll
de la Garza	MacGregor	Wilson, Charles H.
Derwinski	Martin, Ala.	
Downing	Martin, Mass.	Younger
Dulski	Mathias	
Farnsley	May	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Toll for, with Mr. Bray against.

Mr. Ryan for, with Mr. Reifel against.

Mr. Downing for, with Mrs. May against.

Mr. Daddario for, with Mr. Adair, against.

Mr. Kee for, with Mr. Martin of Alabama against.

Mrs. Bolton for, with Mr. George W. Andrews against.

Mr. Morse of Massachusetts for, with Mr. Baring against.

Mr. Pirnie for, with Mr. Bonner against.

Mr. Martin of Massachusetts for, with Mr. Fuqua against.

Mr. Mathias for, with Mr. Hungate against.

Mr. Lindsay for, with Mr. Younger against.

Mr. MacGregor for, with Mr. Berry against.

Mr. Cameron for, with Mr. Saylor against.

Mr. Dulski for, with Mr. McClory against.

Mr. Pepper for, with Mr. Derwinski against.

Mr. Charles H. Wilson for, with Mr. Del Clawson against.

Mr. Sisk for, with Mr. Ashbrook against.

Mrs. Griffiths for, with Mr. de la Garza against.

Mr. Resnick for, with Mr. Hébert against.

Until further notice:

Mr. Holland with Mr. Burton of California.

Mr. Roncalio with Mr. Hawkins.

Mr. Gallagher with Mr. Powell.

Mr. Hanna with Mr. Farnsley.

Mr. Thomas with Mr. Kornegay.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the foreign aid appropriation bill for the fiscal year 1966 just passed.

The SPEAKER pro tempore (Mr. ROOSEVELT). Without objection, it is so ordered.

There was no objection.

STEEL SETTLEMENT

Mr. ALBERT. 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 Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, Labor Day of 1965 is a day that will be long remembered. It will be remembered, most appropriately, as the day on which management and labor in the steel industry amicably resolved their differences and spared the Nation a paralyzing strike.

Over this past Labor Day weekend, the representatives of management and labor, together with the President, the Secretary of Commerce, the Secretary of Labor, and other Government leaders, accomplished what some thought impossible. Through their skillful and unstinting efforts, they achieved a steel agreement which is fair to labor, fair to management, and fair to the people of the United States. And they did this peacefully, and in the best traditions of the collective-bargaining system.

Had they done less, there would today be nearly half a million American workmen out of work. Hundreds of thousands more would be waiting with grim anticipation for spreading shortages in steel to wipe out their own jobs. Merchants would find their sales diminishing and the American steel industry would be duly losing to foreign manufacturers customers who would never return. Such has been the dire result of every steel strike in our history.

Thanks to the restrain, the wisdom, and the patriotism shown by the steel negotiators over this past Labor Day weekend, however, the situation is quite different. We now look forward, at the very least, to another uninterrupted 3 years of peace in the steel industry. We may confidently anticipate a continuation of our already unprecedented 54 months of uninterrupted economic expansion.

The settlement which brings these benefits to the Nation is also fair to management and just to labor. Labor has achieved better health benefits, better pensions, and a significant wage increase, both immediately and for the months ahead.

Management has achieved a settlement which will enable it to continue its contributions toward the price stability of our economy. It has achieved a settlement which will let it now go forward with its plans for modernization, to further improve its competitive position, and its ability to meet our growing national needs.

Most remarkable of all, this has been achieved within the price-wage guidelines laid down by the Government as the key to a continuing non-inflationary prosperity. I note with extreme pleasure that the wage increases called for in this settlement, when averaged over the 39 months since the last contract expired, amount to an average annual increase of exactly 3.2 percent. This is the exact percentage specified in the price-wage guidelines as a proper annual increase for American labor, based on the average annual increase in labor productivity.

Thus, every American has cause to remember what was accomplished this weekend, past, and to be grateful to those dedicated men who achieved it. They have served their country well. They have honestly and skillfully represented the American workmen on the one hand, and the American investor on the other. Finally, they have set before the world a never-to-be-forgotten example of what the American system of free enterprise and collective bargaining can accomplish.

During their negotiations, the President expressed his conviction to the representatives of both management and labor to conduct themselves with full regard to the "importance of their efforts to every man and woman in this country of ours, and to the health and the vitality of our economy, and the security of America all around the world."

Now we have the results of their negotiations, and we see that the President's faith was fulfilled.

PERSONAL ANNOUNCEMENT

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

The SPEAKER pro tempore. Is there objection to the request of the gentelman from Nebraska?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, on yesterday during rollcalls No. 263, No. 264, and No. 265, I was absent. Had I been present, I would have voted "yea." I had to leave the House Chamber because my 15-year-old son was struck down by a truck of the Evening Star Publishing Co. while he was bicycling and for that reason I was absent. I want the RECORD to show I would have voted "yea" had I been present on those three rollcall votes.

INCREASE OF BONNEVILLE POWER RATES

Mr. DUNCAN of Oregon. 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 Oregon?

There was no objection.

Mr. DUNCAN of Oregon. Mr. Speaker, I have read with disappointment and regret the Secretary of Interior's announcement that the Bonneville Power Administration is petitioning the Federal Power Commission for an increase in its power rates, averaging about 3 percent. The announcement is not unexpected and is much less onerous than previous proposals. It is, in my judgment, however, unnecessary and not in the best interests of the Pacific Northwest.

Oregon and the Pacific Northwest have been blessed with trees and water. Adequate supplies of water for irrigation, industrial and domestic use and for cheap hydroelectric power have represented a most important economic advantage for Oregon in the heated competition for development. Some say it is our only economic advantage and that this is more than offset by high freight rates, recurring shortages of railroad cars and the great distances from the large concentrations of people where the profitable markets exist.

Competing interests—geographical, industrial, and power users and suppliers—have long wanted to either share our Northwest resources or reduce the economic advantages inherent therein or both.

Power presently surplus to our needs will soon be exported to the Southwest. Only by diligent hard bargaining was this accomplished under conditions of mutual advantage to the two sections of the country with protection for the rights of the Northwest.

Another great battle looms as the Southwest looks over the water in northern California to the Columbia River for additional supplies to water the parched Southwest and to further develop that area in direct competition with our own.

The power rate increase is an attack on the Northwest, demanded more by pragmatic political considerations involving the continued development of hydroelectric power than by the economic necessities. In meetings with the Bonneville Power Administration officials and the Secretary of the Interior, neither made a convincing case that rate increases were necessary at this time.

The statistical basis on which the increase is predicated is tenuous and speculative, involving predictions of economic conditions, interest rates, labor and other costs, revenues and new production and transmission facilities for many, many years in advance—at least up through the year 2030.

The newly announced rate policy, in effect, asks present Bonneville Power Administration customers to pay in advance for power projects not yet begun and for which money has not yet even been appropriated by the Congress.

Rates can be reviewed again in 1969. There is ample time to adjust them to avert a deficit projected in the next century. There will be fewer variables to consider then. Indeed, the whole concept of the 50-year payout period for generating structures is too low. I know of no private utility which depreciates its facilities on that basis when they know the useful life is much longer.

I oppose the increase. If a rate increase must come, I repeat, this one is less onerous than I feared. It will not destroy the Northwest, but it cripples us.

I urge the Secretary of the Interior to withdraw his application, or, should that not occur, I urge the Federal Power Commission to deny it.

THE POVERTY PROGRAM

Mr. DICKINSON. 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 Alabama?

There was no objection.

Mr. DICKINSON. Mr. Speaker, I have been requested by letter by the chairman of the Education and Labor Committee to advise him of any criticism of the poverty program. As things comes to my attention, I will be pleased to reply here on the floor of the House of Representatives.

One of the many, many things wrong is that there are too many apple polishers and not enough apple pickers in the Poverty Corps. This is now a matter of public record, and shows how badly the poverty program is failing.

American mothers are losing their sons in Vietnam where we are fighting a hot war. Yet in the military there is only one supergrade employee to every 1,100 civilians. But in the war on poverty there is one supergrade—earning up to $24,500 a year—to every 18 employees. These supergrades earn more than Army, Navy, and Air Force officers who have devoted a lifetime to the Nation and who today risk their lives in Vietnam. It is disgraceful. It is disgusting.

Meanwhile, State authorities have been forced to ask that thousands of foreigners—Canadians and West Indians—be brought into the United States to harvest the apple crop in Virginia and West Virginia. This while our "job camps" are bulging with people eating high on the hog who would not pick apples. These are the overprivileged who live in idle luxury for which the rest of us pay. Since Sargent Shriver cannot make them pick apples, I suggest he send into the orchards this week his staffers—400 of them earning $35 to $100 daily. I hear some of them are getting sick licking postage stamps. Imagine bringing in foreigners while our taxpayers support in luxury people too proud to pick apples.

The chairman of the House Education and Labor Committee has just written me asking if I have any criticisms of the so-called poverty program. I have. It makes Teapot Dome look like a tea party.

[From the Washington (D.C.) Star, Aug. 27, 1965]

ROBERTSON ASKS FOREIGN APPLE PICKERS

Virginia Senator A. WILLIS ROBERTSON, Democrat, of Virginia, has asked the Secretary of Labor to authorize Virginia applegrowers to bring in 2,500 foreign workers.

ROBERTSON said in a letter yesterday that the Labor Department's program of using domestic workers to harvest crops was inadequate.

He wrote Secretary Willard Wirtz that Robert C. Goodwin, Labor Department Manpower Administrator, testified yesterday before a subcommittee of the Senate Appropriations Committee that he had lined up 500 apple pickers for Virginia.

"But I presented to Mr. Goodwin the estimate received today from Charles S. Toan, executive secretary, Frederick County Fruit Growers Association, stating that Virginia would need 5,000 workers to harvest the current crop * * *

"Since your present top estimate of the number of apple harvesters that you can bring into Virginia is only 500, why can't you now authorize Virginia growers to bring in up to 2,500 foreign apple pickers? That will still leave a demand for five times as many domestic pickers as I think you will be able to furnish."

ROBERTSON said "millions of dollars are at stake in a labor movement experiment which has not panned out in other areas and which is not going to pan out in Virginia, West Virginia or any other apple State of the Atlantic seaboard."

The hearing yesterday was on a request by Goodwin for $1,968,000 to finance labor recruitment programs.

Goodwin promised a decision around Labor Day on whether to permit importation of workers from Canada and the British West Indies.

[From the Martinsburg (W. Va.) Journal, Aug. 25, 1965]

PLIGHT OF APPLE INDUSTRY IS AIRED TO JEFFERSON CHAMBER OF COMMERCE

CHARLES TOWN, August 25.—"Where to find pickers after the harvest has started" is the big question in the minds of apple growers in the Eastern Panhandle, Turner Ramey told 38 members of the Jefferson County Chamber of Commerce at the monthly luncheon yesterday at the Rib Room.

Manager of the Walnut Hill Orchard, the speaker described the plight of fruitgrowers since Willard Wirtz, Secretary of Labor, has banned offshore labor to help with the harvest.

Last year Bahamans picked about 25 percent of the apple crop in Berkeley and Jefferson counties. In the past 10 years, growers have used local help, but there has never been enough men to do all the harvest.

When Congress allowed Public Law 78, which allowed Mexicans to come into this country to help harvest crops, to expire, Secretary Wirtz assumed that no foreign labor should be used because of the unemployment throughout the United States.

NEW REGULATIONS

According to new regulations, the growers must comply with four conditions: They must guarantee a minimum wage, adequate housing, workmen's compensation, and transportation to and from the orchards. Ramey said that the two qualifications which disturb orchardists are the guarantee of $1.15 an hour, which a poor picker cannot meet at 15 cents a bushel, and the transportation costs.

He pointed out that a busload of workers coming from Mississippi, for instance, might cost as much as $700 with no guarantee that the men would stay for the harvest.

Ramey gave as an example the case of 600 cards being sent to unemployed workers in Washington, D.C. When the men found out what type of work was involved, only 400 answered the cards. Out of the original 600 contacted, only 4 were left picking apples at the end of the season.

TWENTY-MILLION-DOLLAR INDUSTRY

The apple industry is worth $20 million to West Virginia, with about 5 million bushels a year, 2 million of which are grown in Jefferson County. A total of 1,800 pickers are needed to harvest the crop, with about two other workers for each picker in related jobs, such as canning and processing.

Ramey explained certain legislation before Congress which will affect fruitgrowers, the most vital being the minimum wage for all agricultural employees, which repeals the seasonal industry exemption.

With the hope to get the apple crop harvested, many growers are placing a 2-cent bonus on top of the 15 cents paid for each bushel.

During a question-and-answer period, one chamber member asked Ramey if the growers could use young men in the Job Corps. He replied that Job Corps trainees are not allowed to work for private industry.

MECHANICAL PICKERS

He was also asked if there had been a breakthrough on mechanical pickers. Ramey explained that VPI has a grant to work on that problem, and that processing apples may be harvested by a mechanical device in the near future.

Another solution to the labor problem is the new type of tree which is being planted now. The new variety grows small and may be planted close together, solving many difficulties in harvesting. However, he added that the growers simply can't pull up their orchards and start over.

In the absence of the president, W. W. Jackson, F. S. Woodford presided and introduced John Y. McDonald, a guest of Adm. Thomas M. Stokes, retired.

Executive Secretary Brooke Blackford announced that Woodford had been elected to the State board of directors of the chamber of commerce, representing the second district.

Members were reminded of the public hearing on U.S. Route 340 on August 31 at 10 a.m. at the Jefferson County Courthouse.

BOBBY BAKER AND THE NORTH AMERICAN AVIATION CONTRACT

Mr. GROSS. 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 Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, long overdue is the word that North American Aviation, holder of Defense Department and Space Administration contracts totaling hundreds of millions of dollars, is canceling its multimillion-dollar vending machine contract with Bobby Baker, the high-flying former employee and intimate of President Johnson.

Starting from scratch in 1961, Baker, while a $19,000 a year employee of the Senate majority, and in less than 2 years, built a vending machine business grossing more than $3,500,000 annually. Subsequently, when attempts were made to obtain from Baker the identity of his financial angels and other details of his manipulations, he took refuge behind the fifth amendment.

On February 13, this year, and again on July 2, as the CONGRESSIONAL RECORD will show, I pointed out the impropriety of Government agencies and departments dealing directly or indirectly with racketeers.

On July 13, I said:

Such contractural relations would not be tolerated by the Government if they involved such figures as Frank Costello, Tony Accardo, and others of their racketeering ilk. The record shows that Bobby Baker is a political racketeer, and political racketeering should be given no preference.

NATIONAL BROADCASTING CO. DESERVES NATIONAL TRIBUTE FOR AMERICAN WHITE PAPER

Mr. PUCINSKI. 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. PUCINSKI. Mr. Speaker, last night the National Broadcasting Co. gave television its finest 3½ hours. In an unprecedented analysis of American foreign policy titled, "American Foreign Policy: White Paper" NBC gave millions of Americans an opportunity to understand the full complexity of world affairs and the role the United States plays in shaping the outcome of these events.

This was television at its very best. It epitomized the hopes Americans have for a medium of communication which will afford us an opportunity to get all the facts.

Several years ago Newton Minow called television a vast wasteland. I am sure Mr. Minow would exclude last night's effort by NBC. All of those who played a role in last night's production have earned the everlasting gratitude of all Americans. It was a penetrating review of a vastly complex subject and today all those Americans privileged to view the presentation are so much the richer in understanding.

Television networks have suffered considerable criticism in recent years, Mr. Speaker. I submit no one but a vast television network could have sources of participants to place the entire subject in proper perspective. The National Broadcasting Co. network can now embark on its excellent fall program of entertainment secure in the knowledge that it has fulfilled its obligation of public service to the public interest in last night's educational spectacular.

I am particularly proud of the opportunity NBC afforded President Johnson, Secretary of State Dean Rusk, Secretary of Defense McNamara and all the others to place the entire subject in its proper perspective. I am sure millions upon millions of Americans who watched the NBC presentation last night can proudly join me in saying we are proud to be Americans.

There are those who have suggested that the presentation was too long and the subject too complex to grasp in one sitting. I do not agree. On the contrary, it was only by devoting 3½ hours of prime time that NBC was able to bring America's television audience an understanding of how thoroughly and totally complicated is the field of foreign relations.

More important, NBC afforded Americans an opportunity to better understand how vast a responsibility the United States has in all corners of the world as the leader of the world's free nations.

Mr. Speaker, I believe that Eastern Airlines should be congratulated for sponsoring this very impressive experiment in better understanding. Both Eastern Airlines and the National Broadcasting Co. have performed a public service and have earned the highest gratitude of all Americans.

THE BALANCE OF PAYMENTS, THE GOLD DRAIN, AND YOUR DOLLAR

The SPEAKER pro tempore (Mr. ROOSEVELT). Under a previous order of the House, the gentleman from Ohio [Mr. BOW] is recognized for 60 minutes.

Mr. BOW. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter and tables.

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

There was no objection.

Mr. BOW. Mr. Speaker, it is my privilege to bring to the House today the report of the Republican coordinating committee on "The Balance of Payments, the Gold Drain, and Your Dollar," a paper prepared by the task force on Federal fiscal and monetary policy of which the Honorable Maurice H. Stans, Director of the Bureau of the Budget from 1958 to 1961, is the chairman and of which I am a member.

There is no problem more critical, involving as it does national and world prosperity and the prospects for war or peace, and I sincerely hope the document will be read by tens of thousands of Americans.

The paper begins with a message from the Republican coordinating committee, as follows:

A MESSAGE FOR EVERY AMERICAN

On March 10, 1965, the Republican coordinating committee met for the first time. It decided that one of the most urgent matters of public business facing the United States was, and will continue to be, competent management of our balance of payments, gold outflow, and international monetary problems.

With money, as with dynamite, there is tremendous potential for good, or for disaster, depending on how it is managed—not just for the United States, not just for the citizen and his family, but for the whole world.

Successful management will help bring us all increasing prosperity with economic stability, and brighten the prospects for lasting peace. Poor management will result in pronounced inflation, recessions, or even a worldwide depression of severe proportions, should the present arrangements for international monetary exchange deteriorate.

Since World War II the United States has been the leading diplomatic and military power of the free world. In this role it has worked diligently and successfully for peace and the material well-being of people everywhere. This is the essential precondition to individual dignity and freedom.

But the diplomatic and military strength needed for the United States, or any nation, to maintain leadership depends on its economic health and the strength of its currency. No nation can long endure as a first-class power dressed in a shabby currency.

Today, the dollar is still the strongest currency in the world. But there is apprehension that it will not remain so. The present administration's fiscal and monetary policies create doubts. The financial burden of shouldering the free world's responsibilities—especially to wage limited wars and police actions in trouble spots such as Vietnam and Santo Domingo—give rise to further apprehension. The continuing preference of foreign creditors for payment in gold rather than dollars is the acid test of the strength of the dollar.

It should be a matter of concern to all that in the big time game of international finance and power politics, the present administration is putting us in a position of dealing from weakness rather than strength.

The United States should not take this risk. The stakes are too high.

For these reasons, the Republican coordinating committee enlisted a special task force of distinguished citizens and eminent authorities, each experienced in the problems of economics, finance, or public affairs to investigate the present conduct of U.S. policy in this critical area. Their report follows. We endorse it as a statement of Republican policy. We urge everyone to read it carefully not just as an interested citizen in behalf of himself and his family, but also as a citizen who is concerned for the well-being of his country and all the people of the free world.

The report is summarized as follows:

SUMMARY

I. The U.S. balance-of-payments position and loss of gold evidence a critical situation.

THE FACTS

The gold supply of the United States has dwindled from $23 billion to under $14 billion in the last 8 years.

In the first 6 months of 1965 the loss of gold was $1.2 billion, exclusive of a transfer to the International Monetary Fund.

The country is committed to keep approximately $9 billion in gold to back its currency, leaving less than $5 billion of gold to use in foreign payments.

For the last 7 years American dollars have been flowing overseas (for investments, imports, loans, foreign aid, tourism, military purposes and other spending) at a rate that has exceeded the inflow of dollars from other countries by an average of about $3 billion a year.

As a result, the country now owes $28 billion in short-term dollar balances held by foreign claimants, for which they can demand payments, directly or indirectly, in gold.

The margin of our exports over imports has shrunk alarmingly in recent months, at the rate of about $2 billion per year, from earlier levels.

In early 1965, the net outflow of dollars was stemmed only by the Government's admittedly temporary expedient of harshly restricting American direct business investments abroad and limiting private lending overseas.

THE SIGNIFICANCE

The United States has failed to bring its international balance of payments into even temporary equilibrium except by the imposition of ultimately self-defeating Government controls.

The Goverment's management of the Nation's monetary and fiscal affairs has shaken the confidence of other nations in our ability to find lasting solutions to our balance-of-payments problem.

The international monetary system, which relies heavily on the dollar as the key international reserve currency, has been impaired by the U.S. balance-of-payments deficits to the point where drastic changes in the system are being called for.

Unless these conditions are corrected promptly, they can lead to loss of value for the dollar, loss of American strength at home and leadership abroad, loss of vigor in our economy, and loss of jobs, welfare and security for individual Americans.

II. The Democratic administration has not only failed to deal effectively with these conditions but has contributed to making them worse.

It has attempted to reassure the public with unwarrantedly optimistic statements instead of facing the problem with appropriate action.

It has consistently opposed the use of time-proven methods of monetary and fiscal restraint.

It has adopted artificial controls over the outward flow of capital as an expedient to avoid the decisive steps needed for an effective long-term solution.

Its major actions, which restrict American investment in foreign countries, are such as to be ultimately self-defeating.

Many of its efforts and proposals have been so picayune as to be meaningless, such as cutting down the small amount of goods American tourists can bring back from overseas without payment of duty.

It has persisted in out-of-date programs which involve excessive military spending in Europe.

It has allowed foreign aid programs to cause an excessive drain of our dollars.

It has allowed the balance-of-payments difficulties to grow to a point where proposals are being made for changes in the international monetary system which seem destined to reduce the role of the dollar as the principal international reserve currency.

It has followed monetary and fiscal policies which impair the Nation's capability to deal constructively with economic recessions.

III. The Republican Party recommends that the following measures be adopted by the administration and the Congress without delay.

1. Give top priority to developing a solution to our balance-of-payments problem which will be lasting and constructive for the rest of the world as well as for ourselves.

2. Jointly, with our allies among the major industrial and trading nations, work aggressively to strengthen international monetary arrangements along noninflationary lines.

3. Lend support to a monetary policy which will narrow interest rate differentials between the United States and other countries.

4. Adopt domestic fiscal policies which avoid inflation and which preserve an ample reservoir of strength to deal with any unexpected crisis or unfavorable economic development.

5. Enlarge efforts to build export trade, including tax, depreciation, and other economic policies, and the encouragement of technological and productive superiority, to enhance the competitive position of American business and labor.

6. Increase promotional efforts to encourage foreign tourism in the United States, with greater reliance on private agencies.

7. Redetermine the extent of need, under present conditions, for U.S. military forces in the European theater, with the objective of reducing our expenditures there.

8. Confine American military assistance generally to countries committed to the side of the free world in the struggle against Communist subversion and aggression.

9. Reduce the cost of foreign economic aid programs, primarily by directing assistance to those countries which maintain a hospitable climate for private investment capital, and by stimulating private initiative here and abroad to lead in their development.

This Republican program calls for the responsible use of fiscal and monetary policies, for realistic reductions of Government overseas economic and military programs, and for steps to increase the return flow of dollars. It would provide a fundamental and lasting solution to our balance-of-payments problem.

Once a program of this character took hold it would be possible to discard the administration's expedients. The recent restrictions on duty-free imports by American tourists could be relaxed immediately. The stopgap measures to limit private overseas investment—the interest equalization tax and the so-called voluntary restraint program—could be dismantled at an early date.

Adoption of this Republican program would serve notice to the world of our determination to manage our financial affairs constructively, to defend the dollar, to build our national vigor, and to enhance our moral, military, and economic power to outperform and outlast world communism.

It would allay concern over the adequacy of international liquidity and provide a solid foundation for world economic stability, development, and prosperity.

In addition, it would enable the United States, as the possessor of the world's strongest economy, to deal from a position of rebuilt and growing strength in negotiations to improve the international monetary system.

All Americans can proudly and confidently support this program and its objectives.

The complete text, which I urge every Member to study carefully, is as follows:

THE BALANCE OF PAYMENTS, THE GOLD DRAIN, AND YOUR DOLLAR

The balance-of-payments problem in the international accounts of the United States, and the outflow of gold from the United States, are symptoms of a danger affecting every American's job and income, the future prosperity of the rest of the world as well as the United States, and, in the larger picture, the question of whether the free world will maintain the economic strength to prosecute and eventually to win the cold war.

Continued failure to deal adequately and promptly with the problem could contribute to a breakdown in the international monetary system with the possibility of bringing to the United States and other free nations a depression of serious proportions and duration. In such circumstances, everyone would suffer.

This paper analyzes the problem as follows:

1. Evidence of the problem.
2. How the situation developed.
3. The problem today.
4. The failure of the Democratic administrations' attempted solutions.
5. The Republican recommendations.
6. The urgency of achieving a lasting solution.

EVIDENCE OF THE PROBLEM

Existence of the problem is confirmed by the volume of material appearing in the public press about it, the profusion of speeches being given by administration officials telling what they are doing about it, their claims that their efforts are working, their explanations of failures, and their attempts to answer criticisms of their policies. Repeated warnings by monetary organizations, experts and officials abroad indicate their concern.

Only this year the administration recommended, and Congress passed, a bill which eliminated the requirement for gold as a backing for the deposit liabilities of our Federal Reserve banks, retaining only the 25 percent gold requirement against the note liabilities of the Federal Reserve system. This was an emergency measure to free more of our gold stock for payment of foreign claims. The administration had allowed itself to be forced into a position where it had to change the law or break it. The move postponed an eventual reckoning, but contributed nothing to finding a solution for the basic problem or to stopping the demand for gold.

Dramatic, objective evidence is also available in the economic statistics:

1. Beginning with 1958, the United States has had a large international payments deficit every year, which means that more dollars have flowed out of the country than have come back into it. (See table 1.)

2. Gold has been moving overseas to finance part of these deficits, with the result that the country has lost about one-third of its gold stock of 8 years ago. (See table 2.)

3. The short-term claims of foreign holders against the United States are now twice its gold stock, and if all the holders of these claims were to demand payment in gold we could not pay half of them. (See tables 3 and 4.)

In short, there is widespread agreement among authorities, among leaders of both political parties, within the Government of the United States and among officials of other countries, that the United States' international finance are in disorder. The statistics show clearly that this is the case.

Balance of payments

[In millions of dollars]

	Surplus	Deficit
1957	520	-------
1958	------	−3,529
1959	------	−3,743
1960	------	−3,881
1961	------	−2,370
1962	------	−2,186
1963	------	−3,053
1964	------	−2,660

U.S. gold stock

[In millions of dollars]

June 1957	22,625
December 1957	22,781
June 1958	21,356
December 1958	20,534
June 1959	19,746
December 1959	19,507
June 1960	19,363
December 1960	17,804
June 1961	17,603
December 1961	16,947
June 1962	16,527
December 1962	16,057
June 1963	15,830
December 1963	15,596
June 1964	15,623
December 1964	15,471
June 1965	13,934

TABLE 3.—*Short-term liabilities to foreign sources in relation to U.S. gold stocks, 1957–65*

[In billions of dollars]

	U.S. gold stock	Short-term liabilities to foreign sources
1957	22.8	15.2
1958	20.5	16.2
1959	19.5	19.4
1960	17.8	21.3
1961	16.9	22.5
1962	16.1	25.0
1963	15.6	26.0
1964	15.5	28.8
1965	[1] 13.9	[2] 27.4

[1] June.
[2] May.

TABLE 4.—*Excess or deficiency of gold stock in relation to foreign dollar liabilities*

[In millions of dollars]

	Surplus	Deficit
1957	7,699	-------
1958	4,423	-------
1959	118	-------
1960	------	−4,423
1961	------	−5,586
1962	------	−8,962
1963	------	−10,346
1964	------	−13,363
1965	------	−13,550

HOW THE SITUATION DEVELOPED

For many years prior to World War I, and until the depression of the 1930's, England

was in effect the world's banker. The pound sterling was recognized everywhere as the preferred medium for payment of international debts, transfers of capital across national borders, and for foreign exchange uses generally. In the thirties, this international payments system broke down and balances began to be settled in many different currencies with continually fluctuating rates—a condition which in itself hampered international trade and was an obstacle to general worldwide recovery from the great depression.

Following World War II, the United States emerged as the world's strongest economy. The economic strains of war were less severe on it than on other combatant nations. Its industrial plants were not damaged as were those of other countries. The accumulated demand of the war years resulted in a rapid expansion of our industrial plant and brisk economic activity.

At the same time, the United States assumed responsibility for helping to repair the destruction in other countries. The wartime "arsenal of democracy" for western civilization converted itself into the peacetime supplier of goods, services, and capital to rebuild the ravaged economies of our friends and enemies alike. In this, the efforts of private capital were supplemented by Marshall plan grants and by other foreign aid programs.

This employment of national strength and wealth resulted in the establishment of the dollar as the world's principal reserve currency. It was an accidental benefit. It was unplanned. But it helped the world, and it bestowed prestige on the United States as the world's financial and economic leader.

During much of this postwar period the United States ran a deficit in its balance of payments, as dollars flowed abroad to help rebuild the world. The dollar was in demand everywhere. It was not just "good as gold," it was better. The United States became the world's banker, providing its international currency needs. Its balance-of-payments deficits, if held within reasonable limits, would not have been dangerous; they would, up to a point, have merely offset the surpluses of the war years, while helping to meet the world's need for international financial liquidity.

But by the late 1950's things were beginning to change. The "dollar gap" had disappeared. We were faced abroad by rebuilt industrial nations competing with the United States for export markets and investment opportunities. Deficits continued, however, as did foreign military and economic assistance commitments, the latter with emphasis transferred largely to underdeveloped and Communist-threatened nations.

As the finances of industrial nations improved, it was only natural that their officials and bankers felt it wise to build their gold holdings. This, too, would not have been harmful to the United States if it had been held within reasonable bounds. Unfortunately, that has not been the case. Failing to respond adequately to our gold losses and our balance-of-payments deficits, the Democratic administrations since 1960 have not applied the measures necessary to maintain the Nation's gold supply and the future strength of the dollar.

In 1959 and 1960, when the balance-of-payments deficit first became a matter of concern, the Eisenhower administration had responded promptly, as noted in the January 1961 Economic Report of the President:

"The effort centered on measures to increase United States exports and to reduce the balance-of-payments impact of Government military and economic programs abroad in a manner consistent with our responsibilities."

Specifically, the Eisenhower action included these steps: (a) A national export expansion program, including improved arrangements for guarantee of short and intermediate-term export credits by the Export-Import Bank, and active governmental support for reduction of foreign discriminatory restrictions on U.S. goods and services; (b) reorientation of activities of commercial attachés of our embassies abroad and State Department policy generally, from one of assisting foreign businessmen in selling to the United States, to a policy of promoting export sales of American products; (c) measures, as early as October 1959, to tie military and economic assistance activities of the Department of Defense, International Cooperation Administration and Development Loan Fund to procurement in the United States; (d) an Executive order in January 1961 prohibiting U.S. citizens and organizations from holding gold abroad; (e) measures in 1960 to effect a progressive reduction in the number of military dependents in Europe; (f) initiation of negotiations with Germany that eventually resulted in that country assuming a major share of the cost of maintaining U.S. military forces there; (g) appropriate monetary and fiscal policies to provide incentives to attract foreign funds and to keep dollars at home, as well as to avoid the potential inflationary pressures that could have developed in the course of financing a large public debt increase in 1959.

This multipronged approach, which was accepted in the United States and abroad as both timely and effective, was inadequately followed up by the succeeding Democratic administration. It even blithely reversed some of the most effective measures.

So now a truly ironic situation has developed. The revitalized and financially stronger European governments have grown alarmed at our lack of financial discipline and have decided that gold bars may prove a better long-term investment than dollars. This conviction on their part has been affirmed by their concern about present U.S. policies of stimulating growth by artificially low interest rates and unduly expanded credit.

Whatever the motivation of other governments, the result has been that they have put pressure on the dollar, exchanging it for gold. The consequence, for which our own Government's policies are responsible, has been an undermining of the dollar's standing as the world's leading reserve currency.

The administration's attitude of nervous disapproval of foreign gold demands, its meager palliatives, and harshly restrictive efforts to remedy matters, together with its continuing barrage of publicity to bolster domestic political confidence, have caused growing concern. Actually, the administration's attempts to deal with the problem are compounding it rather than solving it.

THE PROBLEM TODAY

Few people realize fully the extent to which the prosperity of the United States, and of all other nations, is dependent on the exceedingly complex arrangements for the international flow of money and gold, whether as payments for imports and exports, as investment capital, as intergovernmental loans and grants or as changes in the reserves backing an individual country's currency.

Nor are they fully aware of how easily and rapidly that whole system, which is based primarily on confidence, can deteriorate through poor management.

The key to understanding the situation created by the deficit in the U.S. balance of payments and loss of gold lies in understanding how the world's money supply is provided and how that supply is used to fuel the world's economic machinery.

There is not enough gold in the world to handle all the transactions for which a medium of exchange is needed. Faced with this situation, creditors in international trade will accept "hard" currencies in lieu of gold. A "hard" currency is one that is both in good supply and is well-managed by its country of origin, so that people have faith that it will remain "hard" and not deteriorate through inflation.

When the supply of gold to handle world transactions is inadequate, an additional medium of exchange—a hard currency—is needed to supply "liquidity." The liquidity for world use today is supplied principally by the U.S. dollar. The British pound has been in second place as a "key currency."

Currencies get into world circulation through their home country running a balance-of-payments deficit, more dollars, for instance, flowing out each year than flowing in.

In the postwar period, the world looked to the dollar with confidence; the willingness of foreigners to hold the increasing amount of dollars resulting from the recurring annual deficit in the U.S. balance of payments was a sign of the dollar's stable value and acceptability as a dependable medium of exchange. But these accumulated deficits have now built up to $28 billion worth of dollar claims against the United States with only about $14 billion in gold stock to pay them (of which only $5 billion is now legally available for such use).

So, the problem resolves itself into four critical aspects:

1. How to manage our economic affairs to merit and retain a role of world financial leadership.

2. How to manage the world's key currency, the dollar, so as to maintain confidence in it.

3. How to maintain adequate but not excessive international liquidity.

4. How to strengthen present world monetary arrangements.

The problem of confidence in the management of the dollar is central. If other countries regain confidence in that management, a balance-of-payments deficit of reasonable size can be a symptom of strength, not of weakness. Dollars bearing interest will again be in more demand than noninterest bearing gold. And the gold drain will either terminate or reverse itself.

Under these circumstances, the United States, with its house in order, and its currency the strongest in the world, can take the lead in improving international monetary arrangements to achieve world economic growth and stability for the years ahead.

THE FAILURE OF THE DEMOCRATIC ADMINISTRATIONS' ATTEMPTED SOLUTIONS

The Democratic administrations have had almost 5 years to solve the problem but have failed to do so, because they have attempted to deal with symptoms rather than underlying causes. Like treating a patient with a fever by putting him into a tank of cold water, this may alleviate some of the discomfort, but it is no substitute for a good antibiotic to kill the germ responsible for the ailment.

The Democratic administrations have tinkered with the difficulties by attempting to adjust some items of inflow and outflow of payments. They have not gotten at the basic causes, the principal ones of which are their own monetary and fiscal policies. In seeking to achieve political objectives by easy money policies, and by entering into large governmental spending commitments, they have sown the seeds of future economic weakness. These policies do not inspire confidence at home or abroad.

Most of the direct steps the administration has taken have been too little and may also have been too late. Some have been of so little consequence as to have negligible effect. The measures that have had some effect are of a short-run type, sure to be destructive in the longer run of our national and international interests.

Here are the principal measures undertaken by the administration:

1. Reduction of duty-free allowances for American tourists returning from other countries.

2. Export trade promotion and assistance.

3. Promotion of foreign tourist travel in the United States.

4. An interest equalization tax.

5. The President's "voluntary program" to reduce private U.S. investments abroad.

6. Partial tying of foreign aid to exports; and steps to offset overseas military costs by sales of military material to other counties.

There have been other steps, too, but they are miniscule. For example, tours abroad by West Point and Annapolis undergraduates were canceled; this will save less than $1 million in a multibillion-dollar problem, at the loss of familiarizing our future officers with military installations and terrain in countries where they may some day be called upon to defend American interests. An item like this, which reduces the average annual dollar outflow by about one-hundredth of 1 percent at a cost in future military advantage, is a "little think" approach.

The widely publicized recent move to reduce further the duty-free allowance to returning American tourists is an unnecessary harassment of the citizenry to give the appearance of action in the hope that time will make a real effort unnecessary. The administration in 1965 proposed the momentous step of reducing the allowance from $100 to $50. The Congress wisely rejected this bit of silliness.

Promoting export trade is sound policy. At present only 4 or 5 percent of the American gross national product goes into export channels. Much more needs to be done to build our export markets.

Increasing foreign tourist travel in the United States is highly desirable. Reducing our present "tourist gap" (what our tourists spend abroad less what foreign tourists spend here) of $1.6 billion or more annually could help our balance of payments and stimulate better international understanding in the process. However, coupling such a program with injunctions to Americans to stay home is international doubletalk not conducive to achieving either objective. Cultural isolationism is a poor weapon with which to advance the cause of a free society against the aims of communism.

Twice the administration has attempted to stem the adverse balance-of-payments tide by major expedients. In 1964, it requested and secured from Congress an interest equalization tax to reduce American portfolio investment overseas. When this failed to produce all the desired results, it adopted in 1965 a "voluntary program" for restriction of private U.S. investment abroad. These measures turn back the clock on 30 years of progress from isolationism and protectionism toward progressive reduction of barriers and toward an expanding world movement of capital and trade. They are steps backward, inviting retaliation in kind, for which this country and the rest of the world will suffer.

Actually, one of the largest continuing and expanding sources of dollar inflows is the returns on investments made in earlier years. A study made by the Brookings Institution estimated that, on a cumulative basis, the dollar outflow initially entailed in new direct foreign investment and loans is fully offset in 5 years by the dollar inflow it produces, and that by the 10th year it has produced inflows more than twice the amount of the initial outflow. The administration's policy of restricting foreign investment means that in future years this increasing return flow is sacrified to the expedient of temporary relief from tough decisions that ought to be made in other areas. This is penny-wise, pound-foolish government.

Apart from the potential loss in investment income, the administration's restrictionism entails other major fallacies. It is hostile to business freedom, it militates against international cooperation, it inhibits growth of free markets, it reduces export opportunities, it tends to cause balance of payments problems for other countries, it invites retaliatory protectionism, and impedes the development of economies in other free world countries by denying to them the capital to build the stability and strength to withstand Communist enticements. It is contrary to all that America stands for.

Another serious concern relative to the so-called voluntary controls is the sanctions available to the Government for enforcing "voluntary" compliance and the possibility that under the stress of some future temporary emergency such voluntary controls might be hardened into compulsory controls. Undesirable as controls by government intrinsically are under a free enterprise economy, their imposition on international commercial and financial exchanges has the added penalty that they are interpreted abroad as possible signs of a deteriorating economic position.

When so much of the problem has to do with maintaining the confidence of the financial community at home and abroad in the management of our monetary affairs, such measures, or even indications that such action may be considered, have a strong tendency to compound the problem rather than contribute to its solution.

The Democratic administration concedes that the restrictions on foreign investments are intended as temporary measures, not a permanent solution. It hopes that a permanent solution will somehow happen, but it has no evident program for causing it to happen. It has freed some domestic gold reserves by getting Congress to withdraw part of the requirement of gold as a backing to our monetary and banking system, but this merely bought time—it created no more ability to pay international debts.

The deficits of recent years would have been even larger except for the fact that some foreign countries have made prepayments on their postwar debts to the United States. It is doubtful that this can be relied upon much longer as a significant source of payment inflows, in view of the relatively small remaining amounts that are likely to be collected from the countries that have made such prepayments.

The United States cannot solve this problem by reducing gold reserves, nor by a facade of restrictive, short-run, penny-wise, little-think isolationist measures. Such measures may cover the problem up for a short time, but are misleading none of the experts at home or abroad. It is their confidence, in this case, that is the key to the problem.

Neither will the American people be satisfied for long with little more than good intentions. They will look for careful analysis, depth of understanding, discrimination between cause and symptom, and purposeful and determined actions.

THE REPUBLICAN RECOMMENDATIONS

Top priority must be assigned to restoring and maintaining a reasonable balance in the Nation's international payments through genuinely effective, long-range policies. To this end, the Republican approach rests on the following premises:

The solutions should be directed at underlying causes, not merely at symptoms.

They must contribute to both domestic and international economic stability and growth.

They must help to provide adequate but not excessive international liquidity and world monetary reserves.

They should make possible the prompt withdrawal of restrictive Government controls over American investments in foreign countries.

They should foster expanding international trade, travel, investment and cooperation among free world nations and people.

They must be aimed at strengthening, and then maintaining, the United States position of international financial leadership.

The Republican Party recommends that the following measures be adopted by the administration and the Congress:

1. Give top priority to developing a solution to our balance-of-payments problem which will be lasting and constructive for the rest of the world as well as for ourselves.

2. Jointly, with our allies among the major industrial and trading nations, work aggressively to strengthen international monetary arrangements along noninflationary lines.

The role of the United States should be to lead in consideration of any changes in the world monetary system. It cannot permit other countries to usurp its position as the world's banker or to lead it into unwise compromises.

International meetings are timely from the standpoint of the present need for improved world monetary arrangements. Prospects for the success of such meetings will be greatly improved, however, when the United States can participate from a position of leadership based on management of its international payments through sound long-range policies rather than on expedients such as so-called "voluntary" controls of capital outflow.

The United States should develop its positions and its plans for strengthening the world's monetary relationships. The objectives should be:

1. The supplying of adequate but not excessive world liquidity.

2. The providing of a means of discipline to assure adjustments by countries when needed to keep their international accounts close to balance.

3. Maintaining of adequate facilities for emergency coping with temporary balance-of-payments deficits of individual countries.

4. The providing of policies and means to promote expanding and competitive trade and unrestricted movement of capital.

5. The assuring of arrangements to reduce the possibility of individual countries disrupting the international monetary structure through unsound domestic economic policies.

The International Monetary Fund has met these requirements with a laudable degree of success. Further improvements to maintain that record and to augment the capability of the fund to achieve these objectives are now in order and preferable to radical plans for change or to creation of wholly different experiments through new international systems.

Changes in the world monetary system should be evolutionary and gradual, to minimize speculation and instability. They should progress in orderly fashion. The present system, stemming from the Bretton Woods agreement, has bridged the transition from World War II's ravaged world to today's vastly expanded international trade and capital development. It can be adapted to present world needs without revolutionary change. The United States should point the way.

3. Lend support to a monetary policy which will narrow interest rate differentials between the United States and other countries.

The administration's failure to encourage use of corrective monetary policy is a major underlying cause of the balance-of-payments problem. Its rigid and uncompromising commitment to easy money as a magic key to domestic expansion is a poor choice of means as opposed to wise and flexible policies serving all the valid goals of domestic and international expansion. Our European creditors are watching with increasing impatience for the United States to exercise the monetary discipline which alone can

establish their confidence in the continued soundness of the dollar.

The administration has consistently favored a policy of artificially low-interest rates, regardless of cost to other national objectives. Low interest rates are appropriate in a period of economic slack; they are wholly inappropriate during a period of high economic activity marked by inflationary warnings and accompanied by an unsolved balance-of-payments problem. Interest rates which are market determined, rather than politically determined, will rise in periods of high demand. In so doing they act as a brake on reckless expansion of credit, curb the tendency to excesses in the business cycle, apply restraint over the outflow of funds from the country, attract inflows from other nations, and moderate inflationary tendencies. This administration's policy of insistence on artificially low-interest rates is damaging to our national interests both in courting domestic inflation and in contributing directly to our balance-of-payments problem.

In the past 4 years, the administration's easy money policies have expanded credit twice as fast as the rise in real production. Interest rates are well below those in other industrial countries, and the amount of personal, private and government (local and State as well as national) debt in the United States is so high as to be cause for comment if not general concern.

All of this risks loss of confidence in the dollar. Foreign holders of dollars know by bitter experience that sooner or later credit inflation brings price inflation. They know that failure to use monetary and fiscal policy properly has been a major cause of every devaluation of currencies in history.

Further credit inflation in the United States could involve the heavy risk of a boom and bust pattern which would be damaging at home as well as abroad. Responsible use of credit policy can help avert such developments, and contribute to balanced expansion in both domestic and international economic sectors.

4. Adopt domestic fiscal policies which avoid inflation and which preserve an ample reservoir of strength to deal with any unexpected crisis or unfavorable economic development.

The administration's fiscal brinkmanship can lead to disaster. The Vietnam situation, for instance, will involve many billions of dollars in increased military spending, and may provide a severe test of whether we have the reserve economic strength to provide adequate flexibility with which to meet this heavy increased burden on the budget without pronounced inflation.

A nation, like an individual, should preserve a reserve of strength, because it can never know when emergencies will develop. It is unwise to assume that new economic nostrums can repeal the ups and downs of the business cycle or immunize us from the fiscal demands of military emergencies. The overstimulation of growth by excessive Government spending, with deliberate deficits in times of unprecedented prosperity, are an invitation to crisis.

The administration claims credit for having held the budget deficit to $3½ billion in the last fiscal year; but this is after crediting $3 billion of largely nonrecurring receipts from Federal Reserve bank surplus, liquidations of Government stockpiles, and sales of loans and mortgages. A minor recession like that of 1958, with the budget already so overburdened, could result in a deficit of $20 to $30 billion or more, under the present administration's policies. This would not only be inflationary; it would very likely ignite already apprehensive feelings in world financial circles and could result in a run on the dollar that would play havoc with our whole economy and hopes of continued progress. The adjustments for every person from such a consequence could be unbelievably harsh. They would mean vastly higher costs of living, reduced hours of work, fewer jobs and less income, the wiping out of savings, pensions and insurance, and the decline of morale and purpose.

This is not a prediction that these things will happen. It is a warning that they can happen. The safe course is to avoid economic fantasies that rigidly deny common sense and the repeated experience of history. Our Government spending policies must not reject entirely the proven worth of capital creation through savings, building reserves for emergencies, and maintaining a long-run balance between income and expenditures.

5. Enlarge efforts to build export trade, including tax, depreciation, and other economic policies, and the encouragement of technological and productive superiority, to enhance the competitive position of American business and labor.

One of the most favorable factors of inflow in our balance-of-payments equation in recent years has been the excess of our exports over imports. American technology has outpaced the world and its products are in high demand.

Notwithstanding this, American exports are a very low percentage of our national output and are exceeded in this proportion by many European countries and by Japan. The potentials are much greater than we have achieved, and our present Government activities to induce increased trade could be improved. Our share of total world export trade has not kept pace with the growth of world exports since formation of the European Common Market. (See table 5.) Here again, improved results can be obtained through coordinated private and Government action.

Independent committees of economists, businessmen, labor leaders, export-import bankers, and marketing experts, cooperating with the Government, should be encouraged to devise and promote new and imaginative practical means for increasing sales of American products and services abroad. This should include stimulating, and removing impediments to, American private investment in other countries. Such investment builds markets for American-made goods. Private enterprise needs only to be unleashed, and made aware of the existence and location of markets, for our exports to mount under the stimulus of private motive.

The Government can help by adopting tax depreciation and other economic policies that enhance the competitive position of American business and labor. It can further relax depreciation allowances to encourage plant modernization. It can stimulate industrial research. It can gradually reduce the tax burden within responsible fiscal policy. It can aid in locating potential markets and communicating that information to appropriate industries. It can help by increased dissemination in diplomatic circles of the truth that freedom of enterprise in all nations will build an expanding economy and trade from which every nation will be the better and stronger.

The administration should particularly address itself vigorously to negotiating reduced barriers to trade with European countries. It should make a determined effort to further enhance the status and responsibilities of State Department commercial attachés.

Purposeful measures to reorient policies and personnel consistent with the changes in international trade conditions of the past 10 years are urgent. The situation is no longer one of the "dollar gap" and world recovery, but one of brisk competition with other revitalized nations.

In recent months the margin of exports over imports has shown an alarming drop. While some of this can be attributed to temporary conditions, it appears likely that the favorable 1964 margin of our foreign trade will not be repeated in the near future unless more aggressive and effective governmental action is applied.

TABLE 5.—*U.S. share of world trade, 1948–64*

[Dollars in billions]

	World trade [1]	U.S. trade	Percent of U.S. trade to world trade	U.S. trade excluding AID-financed exports	Percent U.S. trade excluding AID-financed exports
1948	$53.7	$13.2	24.6		
1949	54.5	12.1	22.2		
1950	56.1	10.1	18.0		
1951	76.1	14.1	18.5		
1952	73.3	13.3	18.1		
1953	74.3	12.3	16.6		
1954	77.1	12.8	16.6		
1955	83.9	14.3	17.0		
1956	93.2	17.4	18.7		
1957	100.1	19.4	19.4		
1958	95.4	16.3	17.1		
1959	101.2	16.3	16.1		
1960	113.1	19.5	17.2	$17.6	15.6
1961	118.2	19.9	16.8	17.7	15.0
1962	124.4	20.6	16.6	18.2	14.6
1963	135.5	22.1	16.3	19.3	14.2
1964	151.9	25.3	16.7	22.5	14.8

[1] Excludes Communist bloc countries and Cuba.

Source: International Monetary Fund, "International Financial Statistics" and U.S. Department of Commerce "Survey of Current Business," adapted from International Economic Policy Association.

6. Increase promotional efforts to encourage foreign tourism in the United States, with greater reliance on private agencies.

Americans spend billions of dollars touring in other countries, and this undoubtedly contributes in many ways to improved understanding among peoples. Contrary to administration policy, American tourism abroad should not be discouraged.

Other nations might well benefit, too, if more of their residents knew the United States at first hand. Expenditures by foreign tourists in this country are now around a billion dollars a year, less than 40-per-

cent of what American tourists spend abroad. With increased prosperity around the world, many more foreigners could be attracted to this country, especially if they could be made confident as to costs, facilities, and attitudes. The administration's efforts at improvement have been marginally effective.

This is a job that can be done best by private action with effective Government support. Independent committees of travel agencies, hotel and motel owners, transportation companies, the press, and others should be encouraged to develop programs for enticing tourists to this country. The effective operation of such programs will do more for the United States by word of mouth goodwill from satisfied visitors than any amount of official Government propaganda. Our balance of payments can be improved in this manner while the people, customs, and intentions of our country are appreciated by more and more friends from other nations.

7. Redetermine the extent of need, under present conditions, for U.S. military forces in the European theater, with the objective of reducing our expenditures there.

The time has long since arrived when a substantial reduction of our Military Establishment in Western Europe would appear to be wise if not necessary. Approximately 700,000 military and associated personnel are still being maintained in Europe, at a net outflow in the balance of payments of about $1.5 billion (approximately half the recent annual balance-of-payments deficits). A force of this size was unquestionably desirable 15 years ago, as an emergency protective matter, when our European allies were weak and relatively defenseless. But with their economic recovery, the Western European countries should be able to marshal their own conventional forces against invasion, backed by our continuing firm commitment to assist in their defense. A small detachment of our forces can serve as evidence of this commitment, backed by our newly demonstrated ability to airlift reinforcements swiftly to any place in the world from central bases in the United States, and by our strategic air and missile striking forces.

An immediate reappraisal of the extent and character of our European-based military forces and financial commitment in the light of these changes in conditions should be undertaken both in our country and with our friends abroad as a matter of urgency. The results should substantially reduce our expenditures there.

These observations are backed by military experts and have been enunciated by both Democratic and Republican leaders. They were expressed by the Democratic majority in a 1965 report of the Joint Economic Committee of the Congress:

"The Committee urges that the review of Government expenditures abroad focus particularly on the possibility of reducing our troop commitments in Europe. Our overseas manpower was not cut back to the extent which the massive increase in our airlift capability would have permitted. We must reduce our military expenditures in these countries."

There is no reason why our European friends, given a full appreciation of our views, should continue to depend on us to carry such large forces on their soil. Our commitment to the preservation of freedom in Western Europe will not be reduced by a return of a considerable portion of these forces to our shores.

8. Confine American military assistance generally to countries committed to the side of the free world in the struggle against Communist subversion and aggression.

Last year American military assistance was given to more than 60 countries. In some nations American-supplied arms were used in local revolutions by forces inimical to free world interests. A more discriminating selection of military and beneficiaries is necessary.

Our military assistance programs should be limited generally to countries and administrations which are clearly committed to the free world and opposed to international communism. Military aid should consist almost exclusively of equipment produced in American plants, and should be directed to the free nations surrounding the Communist orbit, who are our first line of defense, and nations seriously threatened with Communist takeover by subversion or revolution. Any exceptions should be rare and should be required to be clearly justified in terms of our own overriding national interests. It is unsound to give weapons to nations when we cannot be sure that they will be used in our common defense, or to nations from whose hands they may proceed into the possession of enemy forces.

More realistic overseas military assistance programs will reduce the burden they impose on our balance-of-payments problem. (See table 6.)

9. Reduce the cost of foreign economic aid programs, primarily by directing assistance to those countries which maintain a hospitable climate for private investment capital, and by stimulating private initiative here and abroad to lead in their development.

There is little doubt of the basic desirability of our foreign economic aid objectives. In their 17 years many of these programs have served effectively in building the free world and promoting the development of emerging nations. But this does not necessarily warrant their continuance at present levels.

In fiscal 1965, loans, grants, and other assistance of various kinds were made to an approximate total of 100 countries. There is little doubt that close examination will show incredible inefficiency, waste, mismanagement, and misdirected effort in many of these programs. Some loans are made in dollars on terms which clearly indicate that neither the principal not interest is ever going to return to this country. Some grants merely help to support local political objectives or to pay running expenses of insolvent governments. Some programs support foreign government-owned projects which ought to be done by private agencies under appropriate local incentives and encouragement. Many are of doubtful value to the country intended to be benefited. Many should be ended. A realistic evaluation of these facts would result in a significant reduction in foreign aid costs.

The growth of industry and capital in the developing nations would be achieved more efficiently and more effectively under the discipline of the profit system than under any other form. This is the secret of our unparalleled American material progress and it should be exported with confidence and conviction.

Private initiative, both from the United States and within the underdeveloped nations should be recognized and encouraged as the key to sustained growth and development. Private capital can perform far more effectively than government socialism. Our aid ought to be directed to nations that accept this philosophy.

Furthermore, other industrial nations of the free world should be induced to shoulder a larger share of the burden of assistance to developing countries, both directly and through United Nations multilateral programs. Their efforts in this respect should be commensurate with their capabilities.

TABLE 6.—*Private and Government sectors in the U.S. balance of payments*

[In billions of dollars]

	1960–61 average		1964	
	Private	Government	Private	Government
Exports	17.6	2.1	22.4	3.6
Income on investments	3.2	0	4.7	0
Services	3.9	0	5.1	0
Other	.4	1.2	.2	1.8
Total receipts	25.2	3.3	32.4	5.4
Imports	−14.6	0	−18.6	0
Services	−5.2	−.9	−6.5	−1.2
Private investment	−4.6	0	−7.3	0
Military cash outflow	0	−3.0	0	−2.8
Government economic aid	0	−3.8	0	−4.3
Total	−24.4	−7.7	−32.4	−8.3
Balance	+.8	−4.4	0	−2.9

Source: Adapted from International Economic Policy Association.

Assistance to other nations by the U.S. Government should be limited largely to our foodstuffs, fibers and goods—and only to the extent needed by them in excess of their ability to pay. The United States should and can also provide technical assistance in solving problems of agriculture, industry, commerce and Government in accordance with the proven procedures evolved in our own country.

Such measures would benefit other nations more in the long run because we would be showing them the solid way to develpment and growth, within the potentials of their own resources and capabilities, rather than stimulating the illusion that largess from the American taxpayers will bring instant progress.

The administration position appears to be that all such expenditures are absolutely necessary, and that every effort is being made to minimize their balance-of-payments impact. It argues that 80 to 85 percent of economic aid purchases are tied to exports and that more than one-third of military expenditures are offset by military exports from the United States.

While much of foreign aid is tied to specific exports, in many cases such aid releases dollars which otherwise would be spent in the United States, to be spent instead in Western Europe. Some experts maintain that this occurs to such a degree that our economic foreign aid is effectively tied to net exports to the extent of only 50 to 60 percent. A more realistic policy would concentrate our efforts in countries where help can be used soundly and stop the flow of dollars to areas and for purposes which merely support purchases from other nations. Such a policy need not damage our economic development efforts.

As part of foreign aid reforms, the number of beneficiary nations should be reduced. Commitments by recipients to free enterprise principles should be a precondition to economic aid wherever possible.

Finally, the various aid expenditures—for grants, loans, international loan funds, agricultural products, Peace Corps, United Nations multilateral programs, refugee relief, and others—should be brought together into a single appropriation request for consideration by the Congress each year, so the American public is fully informed as to the total involved.

These measures would reduce the drain of our dollars and make the entire program more effective as an instrument of foreign policy, as a contribution to world progress, and as an aid to individuals and nations in learning that solid lasting growth is best attained by responsibility, planning and work under the incentive of private ownership and competition.

An analysis of the derivation of balance-of-payments deficits (table 6) shows clearly that the international transactions of the private sector in this country are regularly in balance. The Government's outlays for military and economic aid programs overseas exceed its receipts of dollars from foreign countries, and in that sense account for the entire balance-of-payments deficits of recent years.

It is ironic that, under these conditions, the administration's major actions to deal with the problem have been restrictive measures directed at the private sector. Clearly, a major review of Government spending overseas is in order, and recommendations 6, 7, and 8 are directed at that objective.

THE URGENCY OF ACHIEVING A LASTING SOLUTION

Apprehension about the future of the international monetary situation is increasing. The United Kingdom is facing a severe monetary crisis. France is converting more and more of its liquid holdings to gold. These events have raised storm signals for countries all over the world. The result could be a serious contraction of world liquidity and economic activity. This must not happen.

Whether the problem is an immediate one of impending economic dislocation, or the longer range one of strengthening the international monetary system, in both cases management of the dollar and maintenance of confidence in it are central to achieving successful solutions since it is the world's principal medium of exchange.

The Republican Party would be derelict if it did not raise its voice to call attention to an extremely serious situation in time for effective action.

The dollar is still the world's strongest currency. The United States is still the leader of the free world. There is yet probably enough time for prompt action successfully to correct the present deteriorating situation and maintain our position as the leader in building a world society where every man can share in the material benefits that are a precondition to individual freedom, dignity, and opportunity to lead the good life.

In publishing this paper, the Republican Party serves notice to the party in power that it must be responsible for the consequences of continuing failure to take prompt and suitable action to solve this vital problem.

Mr. Speaker, members of the task force on Federal fiscal and monetary policy are:

Maurice H. Stans, chairman, Director of the Bureau of the Budget, 1958–61.

George Champion, vice chairman, chairman of the board, the Chase Manhattan Bank, New York City.

William H. Avery, Governor of Kansas.

Julian B. Baird, Under Secretary of the Treasury for Monetary Affairs, 1957–61.

FRANK T. BOW, Representative from the 16th Congressional District of Ohio.

George S. Eccles, president of First Security Corp., Salt Lake City, Utah.

Mrs. Rosemary Ginn, Republican national committeewoman for Missouri.

Cliff Hansen, Governor of Wyoming.

Kenneth C. Kellar, Kellar, Kellar & Driscoll, attorneys, Lead, S. Dak.

Peter O'Donnell, Jr., chairman of the Republican Party of Texas.

Clarence B. Randall, special assistant to the President on Foreign Economic Policy, 1956–61.

Raymond J. Saulnier, Chairman of the President's Council of Economic Advisers, 1957–61.

Lewis L. Strauss, Chairman of Atomic Energy Commission, 1953–58.

Robert D. Stuart, Jr., national committeeman for Illinois.

Sinclair Weeks, Secretary of Commerce, 1953–58.

JOHN J. WILLIAMS, U.S. Senator from Delaware.

Staff secretary to the task force, Biehl P. Clarke.

Members of the Republican Coordinating Committee are:

Presiding officer: Chairman, Republican National Committee.

Former President Dwight D. Eisenhower.

Former presidential nominees Barry M. Goldwater, Richard M. Nixon, Thomas E. Dewey, and Alf M. Landon.

Senate leadership: EVERETT M. DIRKSEN, minority leader: THOMAS H. KUCHEL, minority whip; BOURKE B. HICKENLOOPER, chairman, policy committee; LEVERETT SALTONSTALL, chairman, Republican conference; THRUSTON B. MORTON, chairman, senatorial campaign committee.

House of Representatives leadership: GERALD R. FORD, minority leader; LESLIE C. ARENDS, minority whip; MELVIN R. LAIRD, chairman, Republican conference; JOHN J. RHODES, chairman, Republican policy committee; BOB WILSON, chairman, congressional campaign committee.

Republican Governors Association: John A. Love, Governor of Colorado; Robert E. Smylie, Governor of Idaho; George W. Romney, Governor of Michigan; Nelson A. Rockefeller, Governor of New York; William W. Scranton, Governor of Pennsylvania.

Republican National Committee: Ray C. Bliss, Ohio, chairman, Republican National Committee; Mrs. C. Wayland Brooks, Illinois, assistant chairman; Mrs. Collis P. Moore, Oregon, vice chairman; Donald R. Ross, Nebraska, vice chairman; Mrs. J. Willard Marriott, District of Columbia, vice chairman; J. Drake Edens, Jr., South Carolina, vice chairman.

Staff coordinator: Dr. Arthur L. Peterson.

REPORT BY THE VICE PRESIDENT ON NEW TECHNIQUES IN THE EDUCATIONAL PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 20 minutes.

Mr. VANIK. Mr. Speaker, yesterday, before over 10,000 teachers of the Cleveland public school system, an audience composed of the entire faculty and staff of the Cleveland public schools heard Vice President HUBERT H. HUMPHREY make a stirring report on the tremendous national effort to restrain and contain the problem of the school dropout. He called for the use of exciting new techniques in the educational process. He voiced a strong plea for the "spirit of personal commitment" which should motivate the teacher facing today's challenge. While he paid glowing tribute to the educational process in my city, he also charted the difficult problems ahead.

Scores of teachers expressed to me their personal gratitude for the Vice President's message that glowed in his generous tribute to their professional contribution. Their enthusiasm for another school year was rekindled.

I heartily wish that every schoolteacher in America could have heard our Vice President's plea for renewed efforts in the educational year ahead.

I include in the RECORD the splendid newspaper articles and editorials which appeared in the Cleveland Press and Cleveland Plain Dealer of yesterday and today. The enthusiasm which was generated by our great Vice President has been felt throughout the Cleveland public school system and the city of Cleveland according to reports which I have received during the first day of the 1965–66 semester. Cleveland thanks the Vice President, HUBERT H. HUMPHREY, for launching this hope-filled, exciting school year. The newspaper articles follow:

HUMPHREY HAILS GAINS IN CITY'S SCHOOLS

(By Marjorie Schuster)

"Great things are happening in education here in Cleveland."

That was the message Vice President HUBERT H. HUMPHREY brought today to nearly 10,000 Cleveland public school employees in Public Hall.

The Vice President came here to help build enthusiasm for the 1965–66 school year.

His appearance on the day before school starts had clearly boosted the spirits of the school system's staff members as they left their buildings early and streamed into Public Hall.

HUMPHREY called on the staff of the Nation's eighth largest public school system to add a strong "spirit of personal commitment" to the innovation in teaching methods and materials.

And he coupled this with a strong plea to would-be dropouts to remain in their classes.

When he landed at Burke Lakefront Airport at 3:30 p.m. the Vice President said there was no political motive to his visit. "Mayor Locher hasn't asked for any help in his campaign for reelection," he said.

Apparently recalling the last time Cleveland had drawn nationwide TV attention—during the school-centered racial crisis of a year and a half ago—HUMPHREY said Cleveland had learned its lesson well.

"There was a time—and I speak frankly—when education in this city was less than it should have been.

"But the public officials, the educators, the parents, the citizens of this city came to recognize that it was time for a change."

HUMPHREY ticked off compliments for the Cleveland schools' doubled vocational program, its 300-percent increase in summer school enrollment, the program to teach 5,000 illiterate adults to read and write this year, and the plan for opening 100 elementary school libraries this year. He called this "the largest school library program in the United States."

"You are providing to this city education of quantity and quality. And this city, and our country, are the better for it," he said.

New ways, he said, must be found to meet the needs of those tempted to drop out of school. At the present rate, he predicted, "we will have in 10 years some 32 million adults in the labor force without a high school diploma."

Education, said HUMPHREY, must "close the gap between rich and poor."

Then, borrowing from his address at the recent White House Conference, he called on the school staff to remember that "each child entering life is an adventure into tomorrow—a chance to break the old pattern and make it new."

HUMPHREY was to be introduced to the school staff by Superintendent Paul W. Briggs, who had ordered all buildings in the school system closed in early afternoon so all employees could attend.

The Vice President's appearance was arranged by Press Editor Louis B. Seltzer at the request of Briggs.

Joining HUMPHREY on the platform were members of the school board, school administrators, Mayor Locher, Seltzer, area Congressmen, and leaders of groups interested in education.

Other guests were elected county officials, city councilmen, representatives of labor and industry, members of the education subcommittee of the Businessmen's Interracial Council, and community leaders.

After his speech, HUMPHREY was to go to the Hollenden House where Albert S. Porter, Democratic county chairman, was to be host at a reception. HUMPHREY was expected to leave for Washington around 6 p.m.

[From the Cleveland Plain Dealer, Sept. 8, 1965]

HUBERT H. HUMPHREY TO TEACHERS: CLOSE EDUCATION GAP

(By James M. Naughton)

Vice President HUBERT H. HUMPHREY spent 4 hours in Cleveland yesterday, plugging for better education and talking shop with fellow Democrats.

For one of those hours, HUMPHREY was the star at rare Public Hall pep rally of Cleveland's entire public school staff—some 9,000 teachers, principals, administrators, and custodians.

The rest of the time, the Vice President chatted with elected Democrats, shaking hands by the bundle.

HUMPHREY, a onetime college professor of political science, meant his remarks about education for a nationwide audience. In Public Hall, he zeroed in on Cleveland educators with this message:

"A teacher who doesn't have a personal commitment (to education) is cheating the public. He ought to get out."

He urged teachers here and elsewhere to "begin to close the gap between rich and poor" through education.

"Let's be honest with ourselves and recognize this," he said. "Despite the dedication and hard work of American educators, there are deficiencies in American education. We must correct them."

Before his Public Hall speech, the Vice President zipped through a 20-minute press conference at Burke Lakefront Airport. He arrived there at 3:15 p.m. in an Air Force jet with his sister, Mrs. Frances Howard.

Following the speech, HUMPHREY had so much fun with Cleveland politicians, in a Hollenden House reception, that he stayed past his 6 p.m. departure time. The sleek jet finally left at 7.

About 75 Democratic officeholders were on hand.

"I doubt if other school systems are so blessed," said Cleveland School Supt. Paul W. Briggs, in introducing HUMPHREY to the Public Hall crowd.

HUMPHREY explained earlier why he picked Cleveland to plug for education the day before most of the Nation's schools reopen:

"Cleveland invited me," he said in his gravel voice.

He praised advances in the Cleveland school system—especially development of new school libraries, vocational training programs and the teaching of adult illiterates to read and write.

"There was a time, and I speak frankly, when education in this city was less than it should have been," HUMPHREY said. But he prefaced the remark by saying Cleveland has since learned its lesson well.

Superintendent Briggs, elated by HUMPHREY's appearance at the preschool rally, said he felt it "is probably an omen of innovation, of quality education and great opportunities for the youth of our community."

Except for handshaking in the Hollenden, HUMPHREY avoided politics. But he did say, at the press conference, that Mayor Ralph S. Locher "didn't ask me to say anything about him."

"Maybe he feels secure," he added.

The Humphrey party left after Locher and U.S. Representatives MICHAEL A. FEIGHAN, Democrat, 20th District, and CHARLES A. VANIK, Democrat, 21st District, saw the group off.

CITY SCHOOL STAFF BEGINS FALL TERM INSPIRED AFTER HEARING HUMPHREY

(By Marjorie Schuster)

Cleveland's 10,000 public-school teachers, clerks, and custodians opened school doors to a record number of pupils today with a burst of enthusiasm never seen before.

They had Vice President HUBERT H. HUMPHREY to thank for it.

He came here to tell the school system employees, in a massive Public Hall rally, just how important they are.

The surge of pupils that poured into classrooms this morning proved how right he was.

Officials estimated the day's enrollment count could reach 154,000—although duplicate registrations in a week or two will reduce this total to 152,500. That's 1,500 more than last year.

In a scene unduplicated in this community—and probably without precedent in any major city in the country—the mayor and school superintendent sat side by side on the platform, school board members and school administrators sat in the front row on the platform, and school employees were guests of honor.

City and county officials were in the audience.

HUMPHREY warned several times of the alarming school dropout rate, suggesting that perhaps schools, not pupils, were failing. He urged teachers not to cling to old traditions, suggesting, "Maybe you're trying to sell horseshoes at an auto show."

The audience sat silent as he talked, then gave him a standing ovation.

Only once was the Vice President interrupted by applause. It came when he waved an August 24 letter from Press Editor Louis B. Seltzer, inviting the Vice President to address yesterday's session.

Editor Seltzer had written, "I also want to collect that $1 bet I made with you when I told you, 6 weeks before the Atlantic City convention, that you'd be nominated for Vice President."

HUMPHREY took out a dollar bill, which Seltzer immediately collected, then passed it to Mrs. Seltzer, who was seated in the audience.

"Here's a man who knows what to do with money," remarked HUMPHREY. "Nobody can get money into circulation faster than a wife."

After his speech, HUMPHREY descended to the main floor of Public Hall to shake hands with admiring school workers.

Then he was taken away to a political meeting.

HUMPHREY TELLS TEACHERS: STUDENTS RESPOND TO SINCERITY

(By Ann Skinner)

The most important question young people want to ask their teachers is: "Do you really mean it?" Vice President HUBERT H. HUMPHREY, himself a former teacher, said here yesterday.

"If they think you care, they will care," he told an enthusiastic audience of about 9,000 Cleveland teachers, administrators, and other school employees at Public Hall.

Invited guests included representatives of the parent-teacher association, members of the businessmen's interracial committee, and elected officials.

The Vice President, who flew here to speak at the first staffwide conference of Cleveland school personnel, spoke for 55 minutes and received a standing ovation.

Even while he exhorted teachers to be dedicated to their jobs and pupils, he had some sharp comment on the current educational curriculum.

"Let's be honest with ourselves and recognize that there are deficiencies in American education," he said.

Some courses offered in the schools, according to HUMPHREY, are like "trying to sell horseshoes at the auto show."

But he had specific praise for Cleveland for its new school library program, the doubling of its vocational courses, the planned classes for 5,000 adult illiterates, and the greatly increased enrollment in summer schools.

"We can do anything we want to do, and the question is whether we really want to do it," he said.

The Vice President's speech here was the climax of a national 2-week campaign under his direction to cut down the number of young men and women expected to drop out of school this year.

The way to prevent dropouts, he said is to improve the schools.

"When a business house starts losing customers, it takes a look at its management," he said sternly.

In times of national emergency, Americans have proved that they can accomplish anything, he said.

Now the same dedication and determination must be applied to education at all levels.

"If the life of this Nation depended on teaching school dropouts, they'd be taught," he said.

Education must also be extended to other countries, he added.

"A nation that seeks to develop an atomic weapon could give every citizen a good education for less than half the cost of the weapon," he said.

"Our weapons must be schoolhouses and books, and, our soldiers can be teaching volunteers."

As the teachers filed out of the hall, they talked about the speech—as well as parking problems and traffic.

"I have goose bumps a mile high," said one woman.

"The most tremendous speech I ever heard in my life," said another.

[From the Cleveland (Ohio) Plain Dealer, Sept. 8, 1965]

THANK YOU, MR. VICE PRESIDENT

The city is indebted to Vice President HUBERT H. HUMPHREY for his stimulating appraisal of education's strengths and weaknesses as he presented them here yesterday to Cleveland public school employees.

From his alarming estimates of the trend in school dropouts to his bold challenge to America to be the first in making the benefits of civilization available to the whole human race, Mr. HUMPHREY gave his listeners

plenty of food for thought on what he called America's most important domestic concern—education.

If there was any indifference about school dropouts, Mr. HUMPHREY did his best to dispel it with his projection that within 10 years there would be 32 million adults in the U.S. labor force without high school diplomas.

He cited the impossibility of public welfare being able to sustain that many Americans and their families without skills for earning a living.

He gave further emphasis to the enormity of the problem by citing the vast amount of legislation cleared by or now in Congress to correct deficiencies in American education.

His suggestion that America has a future commitment to spread its educational know-how to deprived areas of the world is both an exciting dream and a bold challenge.

"Our weapons can be schoolhouses and books," he said. "Our soldiers can be teaching volunteers. Our victory can be the victory of the human spirit over hopelessness and despair. Our monument can be a society of free and creative peoples, living at peace and with the knowledge that each new day can be a better day. Our legacy will not be the wealth of our treasury but the richness of man's culture."

Mr. HUMPHREY's summing up of the recent progress made in the city's school system was a tribute to Schools Superintendent Paul W. Briggs and his staff. Practically all the gains mentioned have been made under Briggs' direction in his first year as superintendent.

Never has a school year been given such a running start as the Vice President has given the one beginning here today.

[From the Cleveland (Ohio) Press, Sept. 8, 1965]

HUMPHREY'S INSPIRATIONAL VISIT

The teachers of Cleveland's public schools began the year's assignments today, with their forthcoming months keynoted in a most unusual but appropriate way.

Vice President HUBERT HUMPHREY, a former teacher himself, talked shop with 10,000 of them yesterday in Public Hall.

The Vice President spoke for an hour. At the end he was given a standing ovation. Never before has a Cleveland school year started under such auspicious circumstances.

"You are providing to this city education of quantity and quality," HUMPHREY told the school staffs. "This city, and our country, are the better for it."

The Vice President showed great familiarity with our school system. He recited its recent accomplishments: intent to open 100 elementary school libraries, 300 percent increase in summer school pupils, step-up in vocational and adult classes.

"There was a time—and I speak frankly—when education in this city was less than it should have been," HUMPHREY noted. But he said things have changed.

Introducing the Vice President to the throng at public hall, School Superintendent Paul W. Briggs said, "I doubt if other school systems are so blessed."

Probably not. The HUMPHREY visit and speech were tremendously effective in calling attention to schools and to the need for every child to attend. Every school system in greater Cleveland benefited.

Cleveland schools are doubly blessed, however, by having an imaginative, 12-cylinder leader like Paul Briggs who could conceive the HUMPHREY visit as an inspiration to his staff and pupils. Paul Briggs' stature is growing constantly, and, with it, the whole Cleveland school system.

In addition, I wish to call to the attention of the Members of this body the 12-month progress report presented recently to the city of Cleveland by Superintendent Paul W. Briggs. This is a summary of all of the achievements and aspirations of the Cleveland public school system. Some of the new programs mentioned in this report were praised by the Vice President during his speech yesterday.

As can be seen by this progress report and the 18-point plan for the future, the Cleveland public school system is gearing itself for giving "all the education that any child can take" as the President of the United States recently suggested as our national goal. We in Cleveland are ready to meet that goal.

Superintendent Paul W Briggs' 12-month progress report follows:

A 12-MONTH PROGRESS REPORT

(By Paul W. Briggs, superintendent, Cleveland Public Schools)

Members of the Greater Cleveland Growth Board, officials of the Cleveland Chamber of Commerce, members of the Cleveland Board of Education, public officials, representatives of community and civic agencies, and friends, it is a distinct pleasure for me to address you today. Not only am I pleased to be able to report directly to you about education in Cleveland, but I am encouraged to note that your presence suggests Cleveland's growing understanding of the importance of education in this city.

There is a close tie between our schools and the future of Cleveland. Cleveland cannot be a great cultural center if large pockets of ingorance are allowed to exist. Unemployment cannot be eliminated if thousands remain unskilled, thus unemployable. Beauty cannot survive mid squalor. Prosperity cannot become a partner with widespread poverty. Goodwill cannot live side by side with intolerance. Or, in other words, Cleveland cannot be the best location in the Nation if her schools are second best.

It was 1 year ago this month that I joined the staff of the Cleveland public schools as its superintendent. Today I will briefly review that year with you. I will discuss the ways in which we have dealt with some of the major issues and problems confronting the schools of this great city. I will also recommend action on a number of fronts.

First, may I observe that this has been a year of great challenge, activity, excitement, and reward. The problems facing the Cleveland public schools were so critical as not to allow your superintendent the luxury of time for extensive study and prolonged deliberation. The multitude of issues calling for immediate action made it impossible to arrange a schedule according to priorities. While the days have been long and the weeks action-packed, the year has seemed to be the shortest ever experienced.

If I were to categorize the activities and accomplishments of the past 12 months, I would list three major areas:

I. Administrative reorganization of the management function of education;

II. Improvement of communications; and

III. The introduction of programs to improve the quality of education.

I—ADMINISTRATIVE REORGANIZATION OF THE MANAGEMENT FUNCTION OF EDUCATION

The reorganization of the total headquarters staff into an administrative team headed by the superintendent, deputy superintendent, administrative assistant, and five assistant superintendents directing the divisions of personnel, curriculum, research, business, and finance has resulted in real cooperative planning and excellent coordination of management effort. The administrative decisionmaking process has been streamlined, made more effective and more efficient. Future adjustments in each of the divisions will further refine administrative procedures and make the organization of the Cleveland public schools less complex, more manageable, and more sensitive to common objectives.

II—IMPROVEMENT OF COMMUNICATIONS

On assuming the superintendency last year, I found a great need for improving almost every facet of communication. Recognizing that good communication calls for a two-way flow, we initiated many activities involving several levels and dimensions of communication—between the schools and the community, within the school system itself, and between Cleveland schools and the rest of the educational enterprise, locally, statewide, and nationally.

1. Community: At the outset we announced an open door policy to all in the community who wished to discuss educational problems. This resulted in a perpetual waiting list. Traffic has been heavy. New ideas have been offered. Exchanges of viewpoints have been frequent and frank. Much good will has been created; many agreements have been made; some compromises achieved and, in general, better rapport has resulted. In addition, the superintendent has made personal appearances before more than 200 different community groups, discussing the Cleveland schools' program. In over one-half of these meetings, time has been provided for questions and answers.

2. Staff: Wholesome staff morale is vital to a sound school program. At the heart of staff morale is adequate understanding achieved through open lines of communication among all levels of staff organization. Our efforts to facilitate and encourage such communication have been multifronted. A few notable examples are the following:

(a) School visits: An effort has been made to get the headquarters staff out into the field. The superintendent has during the year been able to visit approximately 80 of Cleveland's 185 schools. In most cases he has made some contacts with classroom teachers.

(b) Staff workshops: Two foundation-supported 2-day workshops were provided for the 180 Cleveland elementary and secondary school principals. Additional half-day and day-long workshops were available to many other staff members.

(c) Staff involvement in decisionmaking: Many classroom teachers have been appointed to committees serving in such crucial areas as curriculum development, human relations activities, new school planning, textbooks selection. At least 500 different classroom teachers have been so involved this year. Some committees have worked on into the summer vacation period. Their recommendations will upgrade the content and direction of education in Cleveland.

(d) Clearinghouse meetings with union representatives: One meeting per month is scheduled between the administration and the committee of the Cleveland Teachers Union. Several members from the administrative team are usually present at this meeting. In addition, the assistant superintendent for personnel has held at least one meeting with representatives of each of the other employee groups.

3. Other educational circles: The school system of a great city cannot afford the luxury of isolation from the national mainstream of education. We have, therefore, taken advantage of many opportunities to have the Cleveland schools more actively involved in the forefront of educational progress and development.

(a) Sending staff members on missions outside of school district: The year has seen staff members represent the Cleveland public schools at many workshops in education, visit outstanding programs in other school systems, attend national conferences, and consult with national educational authorities. Members of our staff are receiving

increasing numbers of invitations to participate and contribute to such programs.

(b) Use of outside consultants: Working with the staff of the Cleveland Public Schools this year have been many authorities in a variety of fields of educational endeavor. They have come from the community, government, colleges and universities, foundations, learned societies, etc.

(c) Relationships with colleges and universities: Teams from the administrative staff have visited most of the State college and university campuses in order to support our fine working relationship with them. Several joint programs have been started including:

Urban education project with Bowling Green State University; Peace Corps teacher-training program with Western Reserve University; master of arts in education project with John Carroll University and Oberlin College.

Special summer school project for gifted junior high school students with Fenn College.

Vocational education evaluation of the Cleveland public schools with Ohio State University.

Study of administrative problems of the great cities with Northwestern University.

Economic education workshop project with Ohio University.

4. State and Federal legislative contacts: We have testified on bills related to education before committees of the U.S. Congress and the Ohio State Legislature, as well as before the State board of education. Close and continuous contact is being maintained between the administration of the Cleveland public schools and our elected State and National officials. Members of the State board of education from the Greater Cleveland area periodically meet with Cleveland school representatives to discuss problems of education.

5. News media: Members of the news media have been extended a special welcome. They have been given briefings on every phase of the many diverse educational projects in which the Cleveland schools have been engaged. This has resulted in excellent local coverage by all media, as well as some national coverage. Favorable stories about the Cleveland public schools have recently appeared in Time, U.S. News & World Report, the New York Times, the Washington Post, American School & University, Christian Science Monitor, and on the Huntley-Brinkley TV program.

III—THE INTRODUCTION OF PROGRAMS TO IMPROVE THE QUALITY OF EDUCATION

The crisis in education in Cleveland, like the crisis in education in most big cities, is crying for quick, immediate action. It is a crisis that cannot longer be ignored. If our urban centers are to be saved and the quality of education in the city is to be restored, then dramatic action is in order. Recognizing that new approaches must be used, the total effort of the Cleveland public schools' staff is being focused on new programs aimed at improving the education of every child in the Cleveland public schools. Seldom in the history of a school system has one year seen so many programs launched, each aimed at improving the quality of education.

Let me briefly identify a few of the more outstanding programs that are now underway:

LIBRARIES

The establishment of elementary school libraries was given top priority last year. We entered the year with no libraries in operation in the 135 elementary schools. A 3-year program was started to open one in each elementary school. The community response to this program was enthusiastic. Offers of assistance were forthcoming from every quarter. The Junior League, PACE, foundations, businessmen, labor groups, and other individual citizens stepped forward with contributions so that 100 libraries are now scheduled to open during the next 12 months. The PACE organization was instrumental in raising approximately one-quarter of a million dollars for this project. Cleveland's public school library program is without doubt the most ambitious and the most dramatic in the Nation.

ELIMINATION OF KINDERGARTEN WAITING LISTS

No aspect of the child's schooling is more important than the early contact with a teacher of excellence in a high-quality program as the child enters the world of the school. The Cleveland public schools are proud of our kindergarten program and, for the first time in nearly 20 years, the kindergarten waiting lists in the Cleveland public schools were eliminated last year. This was a great step forward in education. It was accomplished by the recruitment of additional kindergarten teachers and the renting of facilities so that all children eligible for kindergarten could be accommodated.

PRESCHOOL CENTERS

Also in the field of early childhood education, and with special attention to those children most sorely in need of such opportunities, we established three preschool centers in cooperation with the Office of Economic Opportunity. In these centers we introduced children to outstanding cultural and educational influences. Through these pilot centers we have determined some of the principles by which we will be guided next year as we expand the preschool program. Incidentally, in recognition of the importance of this early stage in a child's school life, we have appointed a full time director of preschool centers.

SUMMER SCHOOLS

We have just completed the largest summer school program in Cleveland's history. In the elementary grades enrollment was expanded by nearly 300 percent. A variety of programs was introduced and centers were so located that every child in Cleveland was within walking distance of a summer school center. Approximately 25,000 children took part in these programs including the massive preschool program known as Head Start.

Our observations and those of authorities who have visited our Operation Head Start lead us to believe that ours was one of the most successful of the Head Start programs throughout the Nation. This program was conducted in cooperation with the Office of Economic Opportunity.

One part of our summer school program involved not only students from the Cleveland public schools but also students from nine suburban public schools and from university school.

A special program of cultural exposure for the disadvantaged was developed in cooperation with the Federal Government. This program took children from under-privileged homes out into the community. It included several excursions into various parts of Greater Cleveland and elsewhere in Ohio as well as the use of such community organizations as the art museum, the museum of natural science, the health museum, the summer "pop" concerts and the zoo.

VOCATIONAL EDUCATION

A quick survey of Cleveland school dropouts and graduates indicated a need for bolstering the vocational education offerings in the Cleveland public schools. Seventy percent of the high school graduates were not going on to college. Approximately 25 percent of the entering high school students did not complete their senior year. Unemployment among youth was high and the expenditure for relief in Cleveland had reached approximately $35 million a year. Federal funds were sought and received under the provisions of the Vocational Education Act of 1963. New programs were announced that included additional vocational courses in practically every high school. An Advisory Committee in Vocational Education was assembled and is currently working with the Vocational Education Department as it develops additional programs.

ADULT EDUCATION

One of the greatest challenges faced by the school systems in our great cities is the tremendous need for opportunities for schooling for adults. We in Cleveland are mindful of this challenge. During the past year we have been experimenting with ways to attack illiteracy among the adult population of Cleveland. In addition, we have found that our vocational education programs for adults were both popular and successful. A continuation is planned of the MDTA and ARA programs aimed at retraining adults who were unemployed or temporarily displaced because of lack of a salable skill. This year hundreds of adults were enrolled in the 94 different courses we offered, and the placement record of 77 percent has been most gratifying.

IN-SERVICE EDUCATION

A dynamic school system must provide the means for continuously strengthening the competence of its staff. In our determination to make good teachers better we inaugurated a program of in-service education for our teachers. Over 1,200 teachers in the Cleveland school system enrolled in this, our first systematic arrangement of in-service courses. This was indeed an encouraging first step in the development of a comprehensive program of professional growth opportunities for our staff.

CURRICULUM IMPROVEMENT

Closely allied to the professional growth of the school staff is the study and improvement of the curriculum. Special attention has been devoted to this important work. Better books, in-service education, use of faculty planning committees, involvement of consultants—all have moved curriculum offerings ahead. The updating of courses to meet today's needs has seen the introduction of laboratory sciences in the junior high school, the addition of college placement classes in the senior high school, and the expansion of technical programs in several of the high school centers.

HUMAN RELATIONS

A series of programs was undertaken to improve human relations in the Cleveland public schools. These activities included the organization of a staff human relations committee in each of the 185 schools, a general staff meeting by TV addressed by Gov. LeRoy Collins, a midyear human relations workshop, human relations speakers at principals' and supervisors' meetings, the adoption by the board of education of a written human relations policy and the creation of the position of administrative assistant to the superintendent for human relations.

During the school year, the student human relations programs in many of the junior and senior high schools were enlarged. A collection of books having human relations orientation in their content was acquired for each school library. Thirty thousand dollars worth of books were donated to the schools by the businessmen's interracial committee of the Cleveland Chamber of Commerce. New biracial textbooks were adopted. New supplementary human relations handbooks and manuals were written by our staff and printed by the Cleveland public schools.

NEW BUILDINGS

The recent $55 million building bond issue is just beginning to pay its dividends. New schools are being opened and more are on the drawing boards. Architects have been

instructed to design new schools with a view to the future. Recent buildings approved by the board of education represent the "new look" for Cleveland schools. This school of the new look must be one whose planning, design, and construction will be guided by the soundest educational principles. It is to be an attractive structure built to accommodate the flexibility of program demanded by our expanding educational needs. Through application of the most advanced technology, it will be economical to build, comfortable and convenient to use, and easy to maintain.

As a result of this new approach the Cleveland public schools will have saved enough on the next two junior high school buildings to build a new elementary school and all three will be better buildings than would have been possible by following the traditional pattern.

In addition, the erection of satellite buildings in certain locations rather than the building of additions to old buildings, reflects a new concept of community use of schools for additional programs. Moreover, it has resulted in considerable savings, as we have taken full advantage of the best available technical skill and know-how.

I cannot leave the subject of buildings without calling your attention to the fact that Cleveland has too many poorly equipped, old schools and too many overcrowded classrooms. Both are deterrents to quality education. Thirty-five of Cleveland's schools were built before 1895. A majority of our schools are over 50 years old and maintenance has not kept pace with aging. Few could withstand critical inspection. In fact, we are still using two elementary school buildings which were in their third year of service when Lincoln moved into the White House. At least 90 percent of the school sites are too small to meet minimum neighborhood recreational needs.

HEALTH SERVICES

The Cleveland schools have long led in the field of school health services. The amount of money annually appropriated in the Cleveland school budget for health services reflects this longtime interest. This year the board of education expanded these services to include the area of nutrition.

The Federal food subsidy program of approved hot lunches was put into operation in all junior and senior high schools. Food prices were drastically reduced and the number of students served was increased. As a result of cooperative action involving the Cleveland Board of Education, the county commissioners, and the State welfare department, free meals were provided to children whose parents were on relief. Free milk was supplied also in 60 elementary schools to children of relief families. In these elementary schools also arrangements were made for a place where the children might remain at noon and eat lunches that they had brought from home. Nearly $1 million in Federal grants of surplus food and funds were used this year.

A LOOK AHEAD

We are encouraged as we review the progress of the past year. The blueprint for the future calls for the continuation and expansion of our present efforts. Inherent in this space age, however, is a demand for bold new educational efforts that will produce citizens of superior academic attainment, reinforced by firm commitment to the highest moral principles.

During the days ahead we shall direct our attention to ways and means of dramatically upgrading the quality of education for Cleveland's children, both in content and in process. In pursuit of this goal we propose immediate and continuing action in—

1. Developing a supplementary educational center to pioneer a new dimension in quality of education. At this center, things will be done that cannot be done in individual schools.

2. Bringing national scholars from academic disciplines into direct contact with Cleveland classroom teachers.

3. Establishing appropriate joint appointments between the Cleveland public schools and the new Cleveland State University, especially in the field of teacher education.

4. Finding ways to involve more people in the affairs of education.

5. Developing a massive program of adult literacy training. A minimum of 5,000 adults should be enrolled this fall in classes in reading and basic education.

6. Offering more technical training opportunities for young adults, especially those who have recently been displaced because of automation or lack of adequate training.

7. Organizing new technical programs in both the comprehensive high schools and our special schools, fitting youth for the new emerging jobs.

8. Making the new data processing equipment available to take over some of the routine burdens of the overloaded classroom teacher.

9. Doubling the offerings of the community centers of the Cleveland public schools. During the next year, a community center will be opened in every junior high school.

10. Studying the possibilities of providing each high school with a few college-trained, lay, theme-reading aids. This would result in reducing the workload of teachers whose classes are too large and would guarantee our students more opportunities for developing skills in written communication.

11. Establishing an office for Federal projects so that contracts, records, and coordination of the many and growing number of Federal grants to the Cleveland public schools can be properly recorded, cleared, and accounted for.

12. Developing cooperative projects with city and county units of government. This would bring about more economical use of the taxpayers' money and should result in better programs, especially in the field of recreation. Common use of buildings and the development of joint school and community playgrounds should be given high priority.

13. Extending the preschool program to include more centers. At these centers, maximum attention will be given to the motivation of young children from disadvantaged homes and will provide the school a valuable early contact with the parents.

14. Taking a new look at the building program. This is necessary to make sure that the changing face of our city will also reflect itself in the proper location of future schools. New highways, urban renewal, new housing, Federal projects—all affect the schoolbuilding program; therefore, it is necessary to continually review this program as we plan for the future.

15. Seeking maximum Federal funds for education in Cleveland. The Cleveland public schools must be certain that every possible dollar available for the education of children is sought for use in Cleveland. The money soon to be made available under the Elementary and Secondary School Act of 1965 should bring to Cleveland many new programs. A study of the legislation may provide Cleveland with the ways and means of improving some of her present buildings, as she plans for the new programs that these buildings must house. Federal funds may be available to replace Thomas A. Edison School and for the building of a new Jane Addams Vocational School.

Let me assure you at this point that we shall not at any time relinquish control of the content or quality of the educational offerings of our schools.

16. Introducing the best business procedures at every level of our financial operations. Our use of automated equipment and the establishment of new purchasing, distributing and inventorying processes will pay increasing dividends. For example, our new policy of purchasing school furniture through annual bidding by vendors on our total anticipated needs resulted this year in a saving of nearly $100,000.

17. Finding additional money for education. Recent reverses in the industrial and commercial valuation have wiped out the benefits of last year's 2½-mill tax increase. Every economy is now in order as the schools attempt to improve themselves financially. Streamlining of the administrative organization, better mass purchasing, and other good business practices are in order as we attempt to effect sufficient savings to partially offset the recent financial loss.

Urban school staffs are the hardest working in the Nation and need better compensation. If the tax duplicate does not improve this year, new and additional sources of income must be found. Cleveland children deserve the best. It is not right that they should be the last in Greater Cleveland in per-pupil expenditures.

18. Devising more effective ways of inspiring pride among the children of our schools. No child will achieve his best academically if he does not have pride in himself and in his heritage. No child will become a good and productive citizen if he does not understand and respect himself, his family, the community in which he lives, and its institutions. Respect, as a fourth R, must become an important goal of our entire school program. We cannot afford disrespect and its by-products—vandalism, destruction, disorder.

It is with enthusiasm that we face the future. As we observe the development of University Circle, see Erieview's rising towers and unfolding plazas; as we anticipate happily the expansion of our new Community College and the opening of Cleveland State University; as we consider the reputation of the world-renowned Cleveland orchestra and of our other great cultural organizations; as we move vigorously in the construction of new superhighways to, through, and around Cleveland, it is everywhere evident that great things are happening in Cleveland. None of us can afford to be merely custodians of the past.

The total community is engaged in designing and building a bright new future. The Cleveland public school system is now and must continue to be a full and active partner in this enterprise.

Cleveland is richly endowed with world-famous organizations, institutions, and persons constituting a wealth of talent, ready and willing to become involved in educational progress. We propose to utilize fully that reservoir of talent.

It has been a real pleasure this year to serve as your superintendent. I have enjoyed the assistance of a fine staff, the encouragement of a dynamic community, and the support of a cooperative board of education.

Last August in my first report to the board of education I stated that I was optimistic for the future of education in Cleveland. Today I reaffirm that optimism.

I am convinced that the schools of Cleveland are on the way to becoming so good that not only will no one wish to leave this city to seek better schools, but many will be attracted to return to the city because of the high quality of our educational offerings. With your cooperation, that happy day will be hastened.

PERSONAL ANNOUNCEMENT

Mr. DON H. CLAUSEN. Mr. Speaker, I was absent on rollcall No. 263. I was in my office conducting a meeting of great importance to my district. Had I been present, I would have voted "yea."

POEM FROM A MARINE IN VIETNAM

Mr. CLEVELAND. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. QUILLEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. QUILLEN. Mr. Speaker, Cpl. Ronald R. Meade, a marine from my hometown of Kingsport, Tenn., who is serving in Vietnam, recently sent a copy of a poem that was written during a "lull in the daily patrol actions of the company" to which he is assigned. The poem, whose author is anonymous, appeared in the Friday, August 20, 1965, issue of the Kingsport Times, Kingsport, Tenn. I commend it to the attention of my colleagues and include the article at this point in the body of the RECORD so that all might know the thinking of a marine in Vietnam.

[From the Kingsport (Tenn.) Times, Aug. 20, 1965]

A MARINE IN VIETNAM—POEM TELLS THE STORY

A marine in Vietnam may become discouraged and his morale may be low, but he still has esprit de corps and the hope that Americans still support him.

This is the essence of a poem received by the Times-News from a Kingsport marine involved in the war in Vietnam.

The poem was mailed to the Times-News by Marine Cpl. Ronald R. Meade, who said it was written during a "lull in the daily patrol actions of the company" he is in. The author is anonymous.

Meade, the son of Mr. and Mrs. Clyde V. Meade, 1210 Sevier Terrace Drive, reiterates the poem's plea for "support and backing of the United States during the present situation. Don't let us down," he adds.

The 25-year-old marine is a graduate of Dobyns-Bennett High School and has been in service 5 years. He has been in Vietnam since May and prior to that was stationed in Okinawa.

He is a member of H Company, 2d Battalion, 7th Marines of the 3d Marine Division (REIN).

Of the poem, Meade says it gives "the true feelings about being over here." The poem, titled "Who Is He" reads:

"You sit at home and watch TV,
You're sipping a refreshing cold iced tea,
The news comes on and then you hear,
The all-star game is drawing near.
Then you see a far off land,
Where men are dying in the sand,
A frown appears across your face,
You're tired of hearing about that place.
Who cares about Vietnam across the sea,
It's far away and doesn't concern me,
You'd rather hear the Beattles play,
Than learn about the world today.
But stop and think for a moment or two,
And ask yourself "Does this concern you?"
It's great to be alive and free,
But what about the guy across the sea?
He's giving up his life for me,
So that I can live under liberty.
He's far away fighting a war,
Instead of fighting at my front door.
This guy who lives in filth and slime,
How can he do it all the time?
He's about my age so why should he care,
About a war someone else should share?
You call him vile names and make fun
of his cause,
Yet he is always first to win your wars.
You lucky guy, you laugh and sneer,
Because you've never really known fear.
This young man faces death each day,
But he's always got something funny to say.
No mail again, a twing of sorrow,
Oh what the hell, there's always tomorrow.
The morale is low, the tension is high,
Some even break down and cry.
He wants to go home and see a loved one.
He works all day and stands guard all night,
He's tired and sick but he continues to fight.
The college crowd thinks he's a fool,
But that's what makes him hard and cruel.
You don't appreciate what he will do,
Like giving up his life for you.
He sacrifices much yet he asks nothing
in return,
Just so that you can stay in school
and learn.
He believes in freedom and the
American life,
No parties and dances for this young man,
Until he comes back home again.
The days are hot and the nights are too,
What wonders a cold can of beer can do.
He dreams of cold beer and a thick
juicy steak,
When someone shouts "We've got a
hill to take."
Some will be heroes because they are brave,
And others will get a wreath on their grave.
You'll recognize him as he walks by,
There's a saddened look in his eye.
He walks so proud, yet looks so mean,
He's called the world's greatest
fighting machine.
No wonder he's proud,
He's a U.S. Marine."

ALBERTUS L. MEYERS

Mr. CLEVELAND. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. CURTIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. CURTIN. Mr. Speaker, on Thursday evening, September 9, there will be assembling in the city of Allentown, Pa., which is part of our Eighth Pennsylvania Congressional District, a large gathering of men and women who will be paying honor to Albertus L. Meyers, who is "Mr. Music" of our Greater Lehigh Valley. "Bert," as he is best known, will be 75 years old and has been the conductor and guiding genius of the Allentown Band for 40 years. A native of Richlandtown, Bucks County, he came to Allentown at the age of 8. He assumed the baton from the post of cornet soloist having just returned from a tour with the celebrated Sousa Band. Dr. Meyers—who in June 1965 received an honorary degree from Muhlenberg College—has played with many other great bands, notably those of Pryor, Conway, and Liberatti.

But his very special pride is the Allentown Band, which is described in the following words by John Y. Kohl, longtime editor of the Sunday Call-Chronicle of that city, recently retired but still active in the writing of news about the theater, music, and the arts. Says Mr. Kohl:

The Allentown Band has been offering concerts since the afternoon of July 4, 1828, and thereby lays claim to being America's oldest band.

But far more important, Allentown believes that its band is also "the best band in the land."

And there is plenty of competent testimony to support the claim.

Sousa, Creatore, Goldman—in fact practically all the great bandmasters, living and dead—are as one in their praise of the Allentown Band as the best "town" band in the country.

Allentownians like to remember when the renowned John Philip Sousa, who recruited no less than 18 members of the Allentown Band for his own famous organization, said:

"I hope my own band sounds that good."

Creatore announced, "I have never heard a local band so good," while Goldman's appraisal was, "The Allentown Band is without a doubt the finest organized band in America."

And Herbert L. Clark, the dean of cornet soloists, was equally emphatic, "No other city in the country can boast of such a fine band."

The emphasis, of course, is placed on the category, the town band, or what Goldman termed the "organized" band as distinguished from the professional band and the military band.

Playing in a town band is purely an avocation for its members who earn their living in fields other than music. Every community, large or small, has a town band, sometimes several.

So the Allentown Band is a town band but with a difference and what a difference.

There is nothing desultory about the Allentown Band. It is as tightly operated as any of the professional bands. Membership is based strictly on performance and no chair is a sacrosanct by reason of seniority or personal popularity.

Attendance at rehearsals, for which there is, of course, no remuneration, is obligatory, yet many of the members come from a wide area about Allentown and provide their own transportation.

Most remarkable is the fact that the band has a waiting list of no less than 300 from cities and towns throughout eastern Pennsylvania.

The opportunity of playing good music and playing it well in company with other musicians of equally high caliber is the motivating factor that has created this phenomenon among "town" bands.

True, the band fills many engagements, for which, as a unionized group, it is paid, but the individual recompense is only a minor factor compared with the prestige of membership in the famous Allentown Band.

The schedule of engagements during every summer season takes the band afield throughout this part of Pennsylvania, many as repeat events year after year. Its occasional forays to more distant points, in the eastern United States and Canada, never fail to bring acclaim couched in almost unbelievable superlatives.

The fame the band holds in the band world itself is being popularly enhanced in late years by its recordings.

The conductor and guiding genius of this really outstanding organization is one of Allentown's own, Dr. Albertus L. Meyers, whose name has become synonymous with that of the band itself.

Great as was the band throughout its entire history and great as were predecessor conductors who inspired its longevity, without pause for 137 years, Meyers has brought to it the eminence it holds today.

He is constantly in demand as a guest conductor and has led many of today's great bands.

As early as 1939, Meyers was named by Kay Kyser, on a nationwide radio program, as one of the five most famous band leaders, living or dead. The others were Sousa, Pryor, Goldman and Creatore.

At 75, "Bert" Meyers, still of youthful vigor and appearance, is thus the only one of the famous quintette living today and Allentown

is planning a communitywide tribute to him during the week of September 6.

A concert in the park to top all such events locally is on the schedule, plus a testimonial dinner on the succeeding evening, with some of the Nation's greatest bandmasters in attendance.

Of course, the Allentown Band will play at both functions, although the likelihood is that Meyers will not be on the podium what with all the other talented conductors on hand to take over.

That Allentown's nationally famous "town" band, which Meyers feels was never better, will acquit itself magnificently is a foregone conclusion.

Albertus L. Meyers received his formal education in the public schools of Allentown, Pa., and Muhlenberg College. "Bert," as he is popularly known to his friends, started the study of music at the age of 9. He studied piano, pipe organ, harmony, and theory under Dr. Clement Marcks. He became a soloist on the French horn and cornet and had the benefit of instruction on the former from Anton Horner and from Herbert L. Clarke and Signor Liberatti on the cornet. He also studied band and orchestra arranging with the late Vernon Knauss.

Professionally, he has played for many years in the theaters of Allentown, including 2 years with Donald Voorhees. He played trumpet under Victor Herbert's personal direction for his operetta "Naughty Marietta" and "The Red Mill." He played first horn in Liberatti's band and cornet with the bands of Arthur Pryor and Patrick Conway. He was the cornet soloist with John Philip Sousa and his band. After leaving the Sousa band, he was elected conductor of the famous Allentown Band in 1926, a position he still holds.

Mr. Meyers has had many honors conferred upon him and has filled engagements as guest conductor for the following professional bands: the U.S. Marine Band, the U.S. Air Force Band, the Goldman Band, the Armco Band of Middletown, Ohio, the Philco Band, and the Municipal Band of Hagerstown, Md. He has been guest conductor for all of the district and State music festivals in Pennsylvania and most recently conducted the All-South Jersey High School Band. On the college level, he has guest conducted at Susquehanna, Yale, and Lehigh Universities.

For many years he was the band director at Allentown High School, where his marching and concert bands are a legend. More recently, he has been director of instrumental music at Muhlenberg College.

Mr. Meyers is a member of the select American Bandmaster's Association, Pennsylvania Music Educator's Association, charter member of the Pennsylvania Bandmaster's Association, and the Sousa Band Fraternal Society, membership in which is limited to those who played with the great Sousa and his band.

Mr. Speaker, I am most proud to join with the citizens of Allentown and the Lehigh Valley in grateful tribute to a man who has done so much to enhance an awareness of and appreciation for fine music over a period of more than a half century.

THE NEED FOR AN ALLIED EFFORT IN VIETNAM

Mr. CLEVELAND. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. MOORE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MOORE. Mr. Speaker, I am pleased to join with my colleague Mr. Rogers of Florida in introducing legislation to attempt to prevent our allies from trading with the enemy. The bill would prohibit the transportation of goods, to or from U.S. ports, aboard ships of any foreign country which allows ships sailing under the flag of that country to be used in trade with Communist North Vietnam.

Mr. Speaker, the realization that the war in Vietnam is an American war should not come as much of a surprise to us. There is no question in my mind that the United States, as the leader of the free world, does in fact have the obligation to insure that the unprotected nations of the world have the right to freedom and peace. However, I have great difficulty in understanding why our Nation, great and powerful as it is, must shoulder the entire burden.

Within the last few years we have discovered that our containment policy has not worked as well against Asian communism as it did against Soviet communism in Europe. The geography of the area, the nature of our overextended military and political commitments there, the naive and neutralist mentality of the peoples whose homelands we are struggling to save from aggressive Chinese communism, and the insufficiency of our own resources to cope with this gigantic problem—all of those and certain other forces have brought us to the present impasse.

The unfortunate phase of this involvement is that there seems no easy and honorable way out. There may be an outside chance for us to extricate ourselves from this Asiatic trap if our allies and the people directly concerned join us wholeheartedly, doing their level best and contributing their fair share in this relentless struggle.

Unfortunately, the unwillingness of our allies to play their part, and the total indifference of the peoples directly concerned have brought about an unenviable, impossible situation.

When we committed ourselves to the defense of these countries against surging, revolutionary Chinese communism, we were not alone in this undertaking. Other governments also vowed to join us in this task. Alliances were formed and specific agreements were signed for this purpose. And, of course, the governments of the countries threatened by communism solemnly and gladly undertook to deal effectively with Communists within their respective countries. Subsequently, however, the Chinese threat seemed real and the Communists in these countries, instead of being held down, were gathering strength and gaining the upper hand against inefficient and corrupt governments. Then we felt that we had to intervene. We did this in South Vietnam in order to strengthen the government there so that it could and would stave off the deadly Communist threat. That well-intended move was a factor in creating the very delicate, difficult, and dangerous situation in Vietnam today.

Four years ago, I complained of free world shipping to Communist bloc nations and recently our colleague, the gentleman from Michigan, Mr. CHAMBERLAIN, again called this matter to our attention.

According to unclassified figures available through Defense Department sources, 476 ships flying the flags of free world nations called at North Vietnam ports during the period between January 1964 and June 1965.

Incredible as it may seem, our friends sent more than a ship a day last year to supply our enemy, even as our own troops were being killed by the North Vietnamese officered and supplied Vietcong.

I do not believe that the cargoes being unloaded in Hanoi by our friends are not of a military value. I say, Mr. Speaker, that any supplies received by the Hanoi Government are needed by them and consequently are used to defeat our efforts to contain the Communist spread in southeast Asia.

My personal feeling and honest opinion about our commitment in Vietnam is that we have overextended ourselves. We have burdened ourselves with far heavier and onerous responsibilities that cannot be discharged honorably alone. In our defense commitments we are let down by our allies in this almost impossible task of securing a durable peace with freedom.

That is the essence and substance of our present situation as I see it. I feel that it is time to stop talking and begin to put forth our best efforts to solve this inequitable situation. Americans are fighting and dying every day some 10,000 miles from our shores, and I think it is not untimely nor unfair to expect some help in our struggle to preserve the freedom of the affected nations.

At the very minimum, I think the President should exert some leadership by calling on our allies to stop their trade with the North Vietnamese and the Red Chinese.

But beyond this, Congress should enact this bill and thereby prevent the use of American ports by ships of any foreign nation which allows its ships to trade with the North Vietnamese. Maybe then our allies will realize that they, too, have an obligation to defend the freedom which their young men no doubt cherish as much as ours.

THE BEAUTIFUL PEDERNALES

Mr. HATHAWAY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. OTTINGER. Mr. Speaker, many suburban and rural communities surrounding our great metropolitan complexes are facing a threat of serious proportions. As the power needs of the metropolitan centers grow, and it is necessary to bring electrical power in from great distances, these communities are being dissected by a growing number of power corridors bringing high-voltage lines in on unsightly towers. In some areas, such as Westchester and Putnam Counties in my own district, the destruction is already so great as to jeopardize the continued existence of these towns as attractive residential communities. In others, such as Chester County, Pa., and Baltimore County, Md., the power lines are, so to speak, beating at the door. These communities are disturbed and fighting.

For many hundreds of other towns and villages, the ruthless destruction of steel towers and high-voltage lines is merely on the drawing boards or hidden in utility master plans for the future. These communities are sleeping.

The awareness, however, is spreading. Only this week Newsweek magazine carried a note about developments in Texas:

THE BEAUTIFUL PEDERNALES

President Johnson's plans for beautifying the Nation's highways may be moving slowly in Congress, but back at the L.B.J. ranch things are happening. The Pedernales Electric Cooperative has just put underground several hundred feet of overhead utility lines at the ranch.

Concerned citizens' groups are rallying. Progressive, forward-looking newspapers are alerting the public. When I introduced the Underground Power Transmission Act of 1965 and two related measures on August 17, newspapers across the Nation took up the challenge. The Louisville (Ky.) Courier Journal and the New York Times are among the papers that have taken a position of leadership.

I would like to present to this distinguished body two other particularly outstanding editorial statements that demonstrate the urgency of the problem for our American towns and villages:

[From Newsday, Long Island, Aug. 23, 1965]

PUT THEM UNDERGROUND?

One of the prime uglifying agents of the suburbs and the open countryside is the overhead utility pole—electric or telephone. But it costs too much for the utilities to put them underground unless rates are sharply increased to the consumer.

Representative RICHARD OTTINGER, Democrat, of Westchester, has come up with a promising solution to this problem. He would provide tax benefits to utilities that buried their lines. Such benefits would allow utilities to depreciate underground transmission facilities for tax purposes in 5 years rather than the present 30; would provide that 49 percent of the construction cost would be a tax credit, to be spent for more such construction; and would provide a $30 million Federal study of improved methods of burying powerlines.

All in all, a constructive idea. The sooner America can get rid of some of its electric-telephone poles and metal pylons, the sooner America will become more beautiful.

[From the Putnam County Courier, Aug. 26, 1965]

WITHIN REASON

(By Betsy Holland Gehman)

The British have a lovely slang phrase that enjoys enormous currency. Its uses are, rather unfortunately universal. The phrase is "Up the pole." Its meaning: balmy, bats, nuttyl, crazy, insane. To say that someone is up the pole is to say that he is a completely hopeless case.

It is, therefore, not unmeaningful when I make note of the fact (as I'm sure you have) that, since last May the New York Telephone Co. has had an army of men in what appears to be permanent residence up the pole. Out along Route No. 301, where a full platoon of green-clad men have been playing Shipwreck Kelly for 3 full months now, Ma Bell has added a few little homey touches to their aeries, such as tents to protect them from the sun and rain, plus, I have no doubt, Bunsen burners for cookouts, sleeping bags, and a full supply of Band-Aids—not for themselves, but to patch up the shabby little connective wires that somehow seem to get all discombobulated every time we have the teensiest little thunderstorm, a natural enough phenomenon to everyone but the telephone company.

As this paper fully chronicled on May 13 last, our community's telephone service had been disrupted for over a week, in some cases 2 weeks, by a lightning strike on one telephone pole. Again, early this month, hundreds of telephones were put out of service by the ever-popular lightning. This time, silence reigned for 5 days. As an added fillip, my own phone was given an extra 12-hour vacation last Friday due to a short circuit. When I called the repair service, the man who answered assured me nothing could be done about it until the next day, because "all the men are dog tired from being up the poles since May." This same man of science informed me that the telephone company was not prepared to "fight God." Now I submit that is a piece of blasphemy I would have preferred not to hear. I do not believe God is responsible for the willfulness, sloth and profit-grabbing self-interest the telephone company quite ostentatiously indulges itself in.

It should interest everyone who has been victimized by this particular public utility and that includes everyone who has a phone, to learn that Congressman RICHARD L. OTTINGER introduced three bills before the 89th Congress August 17, 1965, that are aimed at getting all overhead transmission lines put underground where they belong.

He pointed out that today more than 300,000 miles of overhead transmission lines eat up a total of nearly 7 million acres of land. He pointed out that expert evaluation has shown that as much as 300 acres of property have been devalued for every mile of powerline installed in already developed communities. (By 1980, there will be need for triple the amount of present transmission facilities.) He pointed out that private utilities have failed to undertake even limited programs up to now because "they fear that once they start going underground, they will be forced to put all lines underground. Fear of added initial expense has prevented the private companies from undertaking the very projects that would lead to reductions in cost."

In addition, OTTINGER revealed that the power companies spend less than 1 percent of their earnings on research. And that 1 percent is not used in any way to improve your service at home, you may be sure, nor to safeguard your real estate's value, nor to help keep your taxes down by returning those millions of usurped acres to the Nation's tax rolls. As old William H. Vanderbilt once remarked, "The public be damned."

OTTINGER'S triple bill offers the utility companies an amendment in the Internal Revenue Code to allow them to write off the cost of underground facilities in 5 years, and would further give them a 49 percent tax credit on underground construction over the next 5 years. So there's no further excuse for this nonsense.

The next time your electricity goes off during a storm, or your phone goes dead—and stays dead for a week—why don't you take pen in hand and write to your favorite public utility? The letter could start something like this:

"Gentlemen: You have nowhere to go but down."

CONFLICTS OF INTEREST

Mr. HATHAWAY. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. SWEENEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I rise today to draw the attention of the House to an inquiry being undertaken by G. P. Putnam's Sons, 200 Madison Avenue, New York, N.Y.

Apparently, Putnam's, through one James B. Adler, has undertaken to probe the membership of the House of Representatives, seeking to determine whether Members of the Congress are possessed of private interests which conflict with their public duty. Apparently, this probe is designed to identify a Member's outside business interests and law clients.

A letter of inquiry by Mr. Adler was addressed to our former colleague, Representative Oliver P. Bolton, who was my opponent in last November's election. Putnam's inquiry apparently was directed to each political rival of present Members of the House, in an effort to search out any improper conflicts or conduct.

Former Congressman Bolton most effectively answered the inquiry, indicating that in his view the whole question of any conflict of possible interests is of sufficient import and, at the same time, of sufficient demagogic and distorted potential as to be one which cannot properly be approached by inquiries directed to those who have a partisan or emotional ax to grind.

I wholeheartedly agree with our former colleague's observation in this regard, and am convinced that questions involved in the conflict of interests area are such that they can be effectively faced and dealt with by the Congress, itself; and that such an inquiry as undertaken by Putnam's could easily lead to smear attacks on individual legislators and attacks that are politically motivated, rather than factually sound.

Probing of conflict of interests is a delicate area and I would like to associate myself with Oliver P. Bolton's assertion that the Putnam approach is a dangerous one.

Mr. Speaker, I have said publicly and privately on many occasions that my opponent in the fall election of 1964 is a gifted American with a keen understanding of the issues of our day. He is a gentleman of the highest degree and I am more than favorably impressed by his very timely comments on the subject of this company's ill-advised probing in the area of conflict of interests.

I have but one regret, Mr. Speaker, as it concerns our former colleague, Oliver P. Bolton. I wish he were a member of the Democratic Party.

G. P. PUTNAM'S SONS,
New York, N.Y., August 24, 1965.

Mr. OLIVER P. BOLTON,
Willoughby, Ohio.

DEAR MR. BOLTON: We are examining the whole question of congressional conflicts. For this study, it is necessary to know more about the Congressmen whose private interests conflict with their public duty.

Obviously, it would be awkward to seek this information from the Congressmen themselves. Therefore, we are approaching in confidence their political rivals, whose duty it was in the last campaign to search out any improper conflicts or conduct.

We would appreciate any help you can give us in identifying your opponent's outside business interests and law clients. Has he used his position in Congress, in your opinion, to advance these personal interests? Has he performed any special favors for big campaign contributors?

We are aware these conflicts may not be illegal, but we want to explore whether they are improper.

Any information that you are able to send us will be held in complete confidence. It will help us, of course, to have documentation, but we intend to verify independently all the material we receive.

We expect to complete our research in time to publish a book on the subject before the 1966 congressional campaign.

Thank you in advance for your confidential cooperation.

Sincerely yours,

JAMES B. ADLER.

AUGUST 31, 1965.

Mr. JAMES B. ADLER,
G. P. Putnam's Sons,
New York, N.Y.

DEAR MR. ADLER: With reference to your inquiry of August 24, I have no information regarding any conflict of interest which my opponent in the last election had or has and, therefore, regret that I can be of no assistance to you in your inquiry.

For the record, however, having worked on this subject in some depth over a 10-year period, of which 6 were spent in the Congress, I would suggest to you that the whole question of any possible conflict of interest is of sufficient import and, at the same time, of sufficient demagogic and distorted potential as to be one which cannot properly be approached by inquiries directed to those who have a partisan or emotional ax themselves to grind. I frankly find myself amazed that a publisher of your reputation would approach as delicate and difficult a question as this from this angle.

Very truly yours,

OLIVER P. BOLTON.

ADDRESS BY THE VICE PRESIDENT TO THE COMBINED JEWISH PHILANTHROPIES FOR GREATER BOSTON

Mr. HATHAWAY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MCCORMACK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. MCCORMACK. Mr. Speaker, tonight the Vice President of the United States, the Honorable HUBERT H. HUMPHREY, will address the combined Jewish philanthropies for Greater Boston dinner. This fine organization has long been noted for the great work that they have done in the field of medical research, charity, and social welfare.

Vice President HUMPHREY has always been associated with efforts to better the lot of our people and it is a pleasure for me to include herein the remarks of the Vice President:

VICE PRESIDENT HUBERT HUMPHREY COMBINED JEWISH PHILANTHROPIES FOR GREATER BOSTON, MASS., SEPTEMBER 8, 1965

It is an honor to address an organization which has been a pioneer in American philanthropy.

For 70 years, your federation has epitomized the conscience, the compassion, the concern which are the hallmarks of the American character.

In 1895, your founders opened a new chapter in the history of charity. They established a team to meet community needs on a united basis—through joint planning, budgeting, and fundraising.

Your Federated Philanthropies inspired citizens of Jewish faith all over America to similar joint efforts. And you encouraged Americans of every faith to unite successfully in community chests and united funds.

Your aid has reached to the end of the earth in the service of your kinsmen. The funds you have made available have rescued, have rehabilitated countless numbers of refugees. You have enabled them to open new lives in our sister democracy of Israel.

How fitting it is that here in Boston and elsewhere, so many sons and daughters of immigrants should hape kept faith so well with strangers—wanderers from so many lands. They had never ceased to dream—for 2,000 years—of return to the Promised Land. Your generosity made their return possible.

We Americans have owed a debt to mankind. And you have helped discharge that debt.

Here in Greater Boston, you are Americans of many origins, living in harmony and productivity.

Common to all of us is the Judeo-Christian heritage.

This is the bedrock on which your federation's philanthropy is built. It is the legacy that "the Lord our God, the Lord is one"—the one God of love and mercy. It is the concept that we serve God by serving man, created in His image, by loving our neighbor as ourself, by "doing justly and loving mercy and walking humbly" before our Maker.

From Sinai, the basis of this message first came to mankind. Later, that message was elaborated and trumpeted by the prophets.

Other great faiths expressed the message—each in its own way.

And, here, now, as in the past, your federation has exemplified this creed by daily deed.

The spirit which has guided you today guides our Nation. It is a spirit expressed in classic form 800 years ago by the sage, Moses Maimonides.

You will recall how he described the eight rungs on the "golden ladder of charity." The first—the lowest—of these rungs he stated, is an act of charity which is reluctant—a gift of the hand, but not of the heart. The second—he noted—is a cheerful gift, but one which is not proportionate to the distress of the sufferer. And the third rung is a cheerful and proportionate gift, but one which is not given until the donor is solicited.

And so on up the line to higher levels of giving.

In the seventh step, charity is made available in such a way that the self-respect of the recipient is fully protected.

The eighth and most meritorious rung was described as preventive—to anticipate need by assisting one's brother in advance—either by a gift, or by a loan or by teaching him a trade or by putting him into an enterprise, so that he might earn his own livelihood.

This, wrote Maimonides, is the summit of charity's golden ladder. And this is the summit to which this Nation has now climbed.

We are acting not just to relieve poverty, but to prevent poverty by striking at its roots. We are enabling the one-fifth of our American families who are poor to break out of a prison—economic, psychological, cultural—which has condemned generation after generation to misery and despair.

Men long to stand erect, with honor, with respect and self-respect. They cannot stand erect without livelihood, or hope.

So America wages war on poverty.

Today, too, we are enabling the persecuted, the oppressed—the one-tenth of our citizens who are Negroes—to achieve their birthright. With the Civil Rights Act of 1964 and the Voting Rights of 1965, we have provided legal framework on which to build the equality of opportunity promised to the Negro 175 years ago—but never achieved.

We are moving forward toward a more just America.

We are also working for a healthier America.

Greater Boston has always been a center of medical achievement. Two great medical institutions are supported by your federation's funds. These institutions are famed throughout America for their high standards of medical research, education, and patient care.

Today we seek to encourage similar high medical standards throughout the Nation. Now pending before the House of Representatives is a landmark bill to establish regional medical complexes for cancer, heart disease and stroke—the three most widespread killing and crippling diseases.

This same bill will enable your community to achieve even greater medical leadership.

The goal of the legislation is, I can assure you, not to preempt private action. Far from it. America needs more—not less—professional self-responsibility, more, not less—private philanthropy.

It was private action which first awakened the Nation to a vast blight which darkens 5½ million lives—mental retardation. Then, in 1963, two historic Federal laws took up the private counterattack against this condition and expanded the national program. John F. Kennedy, conceived and proposed these magnificent laws. He signed those laws in the last weeks of his life.

Today, too, we are working for the education of our children—for the revival of our cities—for the full development of this Nation's material and human resources.

We seek to build a strong and free American society able to carry, for years ahead, growing burdens and responsibilities at home and in the world. This is the society, in the words of our President, "not a safe harbor, a resting place, a final objective, a finished work. It is a challenge constantly renewed, beckoning us toward a destiny where the meaning of our lives matches the marvelous products of our labor."

Our American Congress is today providing the vital ingredients with which we can seek that destiny. It is passing the broadest and

most important, long-lasting legislation ever passed in any American Congress.

For this accomplishment, we owe much to many. But no one deserves more honor than the devout and humbled man for whom you and I have such deep affection: Speaker JOHN W. MCCORMACK. He has been a great Speaker leading a great Congress to victories long needed, long sought.

And we owe honor, too, to our American people—a people who, today, increasingly cast aside the old prejudices, the old hates, the old slogans—a people who have broken through the old barriers.

We owe a debt to American men and women who say: I am white and you are black, but we are equal before God.

We owe a debt to those who say: I am rich and you are poor, but we together will find hope and opportunity.

We owe a debt to those who say: I have one faith, you have another—my last name is not your last name, but we are brothers in mankind.

Today we dare so say, without hypocrisy, that our old and long dreams can be fulfilled.

Today we challenge the inevitability of poverty, of discrimination, of injustice—not only in America, but in all the world. In all the world.

My message to you is this: Tomorrow, as today, work for your fellowman with courage and with perseverance. What our fathers lived for we can build for our children.

STRENGTHENING THE PACKERS AND STOCKYARDS ACT

Mr. HATHAWAY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DOW] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. DOW. Mr. Speaker, nationally we are undergoing a state of revolution in the production of livestock, poultry, and eggs. The Packers and Stockyards Division of the U.S. Department of Agriculture is charged with promoting and maintaining free and open competition in livestock marketing and meat packing, including poultry.

In an action brought under the Packers and Stockyards Act in 1922, in the case of Stafford against Wallace, the Supreme Court stated:

> The unnecessary expense in the marketing of livestock necessarily reduces the price received by the shipper and increases the price to be paid by the consumer.

This is just as true today as in 1922 and the revolution in our production and marketing system needs constant surveillance to insure that no party is injured by unfair trade practices.

The Packers and Stockyards Act is a good act. The division is rendering a good, worthwhile service to consumers, tradespeople, and producers. It was the congressional intent that this would be so. Unfortunately, there are some jurisdictional disputes, especially in the poultry and chainstore area that have resulted in expensive, time-consuming litigation.

The legislation I propose and which I introduced yesterday as H.R. 10880 would make it crystal clear that it is the intent and purpose of Congress to have everyone in these industries abide by fair trade practices. The result, if this bill becomes law, will be that the money appropriated by the Congress to insure these fair trade practices will not be spent in jurisdictional litigation. Rather, it will allow the Packers and Stockyards Division to devote their full time and efforts to promoting free and open competition as they are charged by the Packers and Stockyards Act to do.

BATAAN-CORREGIDOR DAY

Mr. HATHAWAY. Mr. Speaker, I ask unanimous consent that the gentleman from Hawaii [Mr. MATSUNAGA] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. MATSUNAGA. Mr. Speaker, today I have introduced a joint resolution which would authorize the President to proclaim April 9, 1967, as Bataan-Corregidor Day. The day will mark the 25th anniversary of the historic and heroic resistance by American and Filipino soldiers to Japan's invasion of the Philippines.

The Japanese landed in Luzon on December 10, 1941, and according to their timetable the Philippines was to be brought under control in 10 days. They were not anticipating a prolonged and determined resistance on the part of the island's defenders. The small American-Filipino force under General MacArthur, however, did not surrender but withdrew to the rugged peninsula of Bataan and to the island of Corregidor. There they prepared to make a last desperate stand against the enemy.

In that early stage of the war, there was little or no hope of reinforcements and the defenders knew that they were on their own. To face the oncoming Japanese army required the greatest courage. Day after day the Americans and their Filipino comrades fought off repeated attacks by the Japanese. However, disease and battle casualties took a terrible toll and after 120 days of desperate fighting our men were forced to surrender to the inevitable. Bataan fell to the Japanese invaders on April 9, 1942, and Corregidor fell to the enemy soon afterwards.

The battle for Bataan and Corregidor was a military defeat, but it was also a victory of the spirit—the spirit that inspires men to fight for freedom whatever the odds may be. April 9, 1967, will not be an occasion for joy and merry celebration, rather a time to express our deepest gratitude to the men who sacrificed their lives for man's freedom. I urge that the House give favorable consideration to the joint resolution which will authorize the President to proclaim April 9, 1967, as Bataan-Corregidor Day.

REMARKS BY VICE PRESIDENT HUMPHREY AT THE CLEVELAND PUBLIC SCHOOL PRESCHOOL CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, the public school educators of Cleveland were privileged to have Vice President HUMPHREY as their speaker at the Public School Preschool Conference held yesterday at Cleveland's public auditorium.

Our Vice President commended the efforts being made in Cleveland to provide quality education for our children. He pointed out that Cleveland is on the move, with the largest school library system in the Nation, a doubling of vocational education programs, an increase of 300 percent in summer school enrollment and an adult education program geared to eliminating illiteracy. The Vice President stressed the short and long run dangers to American society as a consequence of school dropouts and outlined our Government's efforts to meet the major causes of the tragedy. His examination of this problem and the values of education to the future of our Nation was a challenge accepted enthusiastically by the educators of Cleveland.

The address of Vice President HUMPHREY was tuned to the opening of schools and its message brings encouragement to teachers, pupils, parents, and members of school boards throughout our Nation.

By leave granted, I include the Vice President's address:

I understand that this is the first time in history that all of Cleveland's public school teachers and principals have been in the same place at the same time. (Although there must be one or two truants today.)

This is the former educator's dream: An audience of 6,000 teachers—and the members of the Board of Education, as well—to be told about education.

A few weeks ago I had the honor of addressing, in Washington, an historic White House Conference on Education. That conference was an inspiration to all who participated in it. For that conference was not just the usual meeting of genial people, a few formula speeches, and a closing banquet. It was a conference marked by questioning, by debate, by challenge to old ways of thinking. And that is good. For our country today can afford nothing less than the fullest development of the potential of each of its citizens. And that can only be done through education—education in tune with the times, education of and for excellence.

In our world today there is no time for catching up, no room for errors to be tolerated and later corrected.

The world we live in is one of change and uncertainty. It is a world which makes demands upon all of us.

We must face the fact that there are modern weapons which can destroy the civilized world in a half-hour's time.

We must fact the fact that two-thirds of the world is poor, hungry, and sick and that the gap between rich and poor nations widens each year.

We must face the fact that the globe is exploding with people.

We must face the fact that we are engulfed in great waves of scientific and technological change which we do not fully understand, and which can overcome us or save us.

We must face the fact, too, that there are people in this world who would make it a totalitarian world—a world in which man would live to serve the state, and not the state the man.

Thomas Jefferson said, and it is true, that no nation can be both ignorant and free.

He also said, in equal truth: "What service can we ever render to our country equal to promoting education? * * * The exertions and mortifications are temporary; the benefit eternal."

Cleveland has learned this lesson well.

There was a time, and I speak frankly, when education in this city was less than it should have been.

But the public officials, the educators, the parents, the citizens of this city came to recognize that it was time for a change.

Today great things are happening here in education.

You have the largest library program in the United States. You will have some 100 new school libraries in the next 12 months.

You have doubled your vocational education programs—and vocational education for jobs of today and tomorrow, not jobs of yesterday.

You increased, this year, your summer school enrollment by 300 percent.

You are teaching 5,000 adult men and women, for the first time, to read and write.

You are providing to this city education of quantity and quality.

And this city, and our country, are the better for it. The 153,000 students in your city schools will certainly be the better for it.

Tomorrow is the first day of the fall school term for most of America.

But for many young Americans, who should be returning to school, this will not be true.

If our national problem of school dropouts continues at its present pace, we will have in 10 years some 32 million adults in the labor force without a high school diploma. These will be 32 million Americans, without adequate skill and education, in a society demanding more skill and education than ever before.

During this coming school year we face the prospect of 750 thousand dropouts. Some of them will not be at school tomorrow.

Can our Nation afford this terrible waste of its human resources?

Can it in 10 years afford to sustain 32 million Americans, and the members of their families, without adequate traning and education? Can we afford the cost of public welfare to support those not able to support themselves? Can we afford the loss of their potential productivity?

The answer is quite obviously "No." We cannot tolerate such loss, such tragic waste of human potential on either economic or moral basis.

To meet the dropout problem of tomorrow—the problem of those faced with deciding whether or not to go to school at the beginning of the fall term—we in Washington have taken active and direct steps this summer.

The President, some weeks ago, charged me with this task.

Since that time our Government task force, formed to take on this job, has been at work.

First, we set out to create summer jobs for young men and women who needed those jobs to be able to remain in school.

We contacted private businessmen, we contacted State employment services, we worked through the neighborhood Youth Corps, we increased where possible Federal hiring.

I have not yet given my final report on this program to the President. But I will take the risk today of predicting it will show that this youth opportunity campaign resulted in employment of more than 1 million young Americans who would otherwise have been unemployed this summer.

Two weeks ago we undertook yet another campaign at the President's direction: a back-to-school campaign.

In these past 2 weeks we have worked with radio and television stations, with recording companies, with newspapers and magazines, with public officials, with church leaders, with trade associations, with patriotic organizations, with businesses.

I personally have written letters and sent back-to-school materials to mayors of 600 American cities, to every Congressman and Senator, to 125 disc jockeys. Secretary of Commerce Connor has contacted 6,000 individual American business firms. Secretary of Labor Wirtz has contacted 1,900 Employment Service offices. Commissioner of Education Keppel has written to 11,000 school superintendents and 12,000 principals; the Postmaster General to almost 34,000 postmasters; other Government agencies to literally thousands of private and public organizations.

Our message has been this: Help get young Americans back to school.

The test of our efforts will come, in most parts of America, tomorrow morning.

If we have been successful we will have helped thousands of young people say "Yes" to their futures.

But our campaigns this summer, and in the last 2 weeks, have been measures only to meet emergencies at hand.

To meet the long-term, undeniable educational necessities of this Nation, we Americans are now engaged in constructing solid blocks to build upon.

The Elementary and Secondary Education Act, the Economic Opportunity Act, the vocational education amendments, the Manpower Training and Development Act, the higher education bill, the teaching professions bill—this is legislation passed or soon to be passed by this U.S. Congress—a Congress which has done more for education than any previous American Congress.

This is a Congress responding to the leadership of an American President who was both a school dropout and a teacher, a President who says that we must give each American child all the education he can take.

This is a Congress whose Members have overwhelmingly recognized that education is the keystone of our free society, of our democratic system.

This is a Congress responding to the needs and the wishes of the American people. This year, for the first time, public opinion polls show that Americans consider opportunity for education to be their most important domestic concern.

Yes, the American people are ready for bold and creative efforts in education. The Congress is making those efforts. But what about those with direct responsibility in education?

Let us be honest with ourselves and recognize this: Despite the dedication and hard work of American educators, there are deficiencies in American education. We must correct them.

We must, for example, continue eliminating obsolete and outmoded teaching methods and curriculums—methods and curriculums which stunt the development of creative thinking and understanding.

We have begun to emphasize the importance of understanding the basic structures of mathematics, languages, and the physical and biological sciences.

As you know far better than I, new approaches in these subjects show that our young people have astounding capacity for learning when they are truly challenged and excited by the learning process.

Let us make the learning process exciting, too, in teaching of the humanities, the social sciences, and the arts.

For these are the disciplines at the heart of creative expression and, indeed, of free political institutions.

These are the disciplines which perpetuate the priceless value of our civilization and guarantee that men will remain the masters of science.

We must have the courage and foresight to use new mechanisms and devices to help the learning process. We cannot afford to waste educational research and development because we are timid or lack the imagination to use what is new.

Visual aids, educational TV, and teaching machines, for instance, have not yet been used to their full potential.

We must, of course, balance and integrate these approaches with the experience that only a skillful teacher can provide. But ample evidence exists to suggest that such balances can be achieved in almost every subject area.

We must also accelerate our attempts to improve the training and preparation of teachers, to explore more efficient patterns of local school organization, and to develop additional sources of money available to our States and localities to pay for better education.

Yes, we have an obligation to adapt our educational system to meet the challenges and demands of a changing world. In the past few years we have come a long way toward meeting these challenges and demands. But we still have great ground to cover.

If we need—as we do—new techniques, new instruments, and new methods to assist in the process of education, we also need something old—something eternal—the spirit of personal commitment.

Personal commitment will be needed, too, for tasks in education which go beyond those in our own country and which serve more than our own purposes.

We Americans face, and must defeat, ignorance, illiteracy and hunger existing in the midst of our own rich society. But we must equally face—and, equally, must help defeat—these same enemies where they exist in other, less fortunate places.

We are today most concerned with education here at home, in the United States. This is the immediate task before us.

But we must recognize the truth in the words of H. G. Wells: "Civilization is a race between education and catastrophe."

As our American wealth and American energy are turned to the important work of education in this Nation, they must also be turned to the work of education where it is even more needed—in the two-thirds of the world waiting on the outside for a chance, too, for something better.

The American educator and American citizen must think in larger terms—more ambitious terms than we have even yet begun to contemplate.

The lessons we learn at home must be applied in other places.

We of this American generation have the chance to be remembered, as Toynbee says, not for crimes or even for astonishing inventions, but as the first generation to dare to make the benefits of civilization available to the whole human race.

And the surest way to that goal is the way of education. Through investment in education we can begin to close the gap between rich and poor.

Yes, we can be remembered for our generosity, for our humanity, for our sense of commitment to our fellowman.

Our weapons can be schoolhouses and books. Our soldiers can be teaching volunteers. Our victory can be the victory of the human spirit over hopelessness and despair. Our monument can be a society of free and creative peoples, living at peace and with the knowledge that each new day can be a better day.

Let us proceed, then, to let quality in education enhance the quality of life. Let opportunity in education lend opportunity to all mankind.

We shall be known as teachers: not warriors; as educators: not conquerors. Our legacy will not be the wealth of our treasury; but the richness of man's culture.

Each child entering life is an adventure into tomorrow—a chance to break the old pattern and make it new. We can, with faith and labor, make tomorrow a day of freedom, life, and peace.

Mr. Speaker, the warm welcome accorded Vice President HUMPHREY by the people of Cleveland is expressed in an editorial "Vice President Visits" carried by the Cleveland Press on September 4, and an editorial "HUMPHREY a Welcome Guest" carried by the Cleveland Plain Dealer on September 7, which follow:

[From the Cleveland Press, Sept. 4, 1965]

VICE PRESIDENT VISITS

American education still has plenty of remedial work to do, but it should be pointed out how far we have come in the past decade to improve the Nation's sorely neglected schools.

Who, for instance, would ever have expected a Vice President of the United States to address a grand assembly of Cleveland teachers, principals and administrators the day before school begins? This is precisely what is scheduled to happen Tuesday when Vice President HUBERT HUMPHREY comes to town.

A former professor, Vice President HUMPHREY dramatizes the new relationship between the Federal Government and the little red schoolhouse by coming here for the preschool rally. It is a most welcome visit and it is hoped it might even be observed by young dropouts, both present and potential.

[From the Cleveland Plain Dealer, Sept. 7, 1965]

HUMPHREY A WELCOME GUEST

The city today extends a warm and especially grateful welcome to Vice President HUBERT H. HUMPHREY who is coming here to address 10,000 Cleveland public school employees in what has been described as "the keynote for the national school year."

Mr. HUMPHREY is a congenial and entertaining guest and a visit with him, no matter how brief, is always a delightful and useful experience.

The Vice President is doubly welcome in his role as head of the intensive campaign initiated by President Johnson to reclaim school dropouts and to discourage the spread of the damaging dropout practice.

The prestige of his office combined with his engaging personality will draw maximum attention to the drive and provide the spark for its ultimate success.

In directing to Cleveland the spotlight on national school opening activities, Mr. HUMPHREY is, in a sense, paying his respects to Schools Superintendent Paul W. Briggs.

Briggs has made an impressive impact on Washington political life in his several appearances there as an adviser on needed legislation in the field of education.

Briggs' capacity for implementing projects with influential leverage brings HUMPHREY to Cleveland today. We hope it is an enjoyable and rewarding day for both of them.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BONNER (at the request of Mr. ALBERT), for the rest of the week, on account of illness.

To Mr. PEPPER (at the request of Mr. ALBERT) for today, an account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK, for 20 minutes, today, and to revise and extend his remarks.

Mr. FEIGHAN (at the request of Mr. HATHAWAY) for 5 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. MCCARTHY (at the request of Mr. HATHAWAY) for 30 minutes, September 9, and to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. THOMSON of Wisconsin (at the request of Mr. CLEVELAND) to include tables during remarks in Committee of the Whole on H.R. 10871.

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

Mr. FINO in two instances.

Mr. MARTIN of Alabama in four instances.

Mr. HORTON.

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

Mr. DINGELL.

Mr. JOELSON.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1674. An act to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources, and for other purposes, to the Committee on Interior and Insular Affairs.

S. 1935. An act to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Polish Claims Agreement of July 16, 1960, and for other purposes, to the Committee on Foreign Affairs.

S. 2064. An act to amend the International Claims Settlement Act of 1949, as amended, relative to the return of certain alien property interests, to the Committee on Foreign Affairs.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 795. An act to provide for the assessing of Indian trust and restricted lands within the Lummi Indian diking project on the Lummi Indian Reservation in the State of Washington, through a drainage and diking district formed under the laws of the State;

S. 949. An act to promote commerce and encourage economic growth by supporting State and interstate programs to place the findings of science usefully in the hands of American enterprise;

S. 2420. An act to provide continuing authority for the protection of former Presidents and their wives or widows, and for other purposes;

S.J. Res. 53. Joint resolution to establish a tercentenary commission to commemorate the advent and history of Father Jacques Marquette in North America, and for other purposes;

S.J. Res. 89. Joint resolution extending for 2 years the existing authority for the erection in the District of Columbia of a memorial to Mary McLeod Bethune; and

S.J. Res. 102. Joint resolution to authorize funds for the Commission on Law Enforcement and Administration of Justice and the District of Columbia Commission on Crime and Law Enforcement.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1443. An act for the relief of Mrs. Olga Bernice Bramson Gilfillan;

H.R. 1627. An act for the relief of Esterina Ricupero;

H.R. 1820. An act for the relief of Winsome Elaine Gordon;

H.R. 2678. An act for the relief of Joo Yul Kim;

H.R. 2871. An act for the relief of Dorota Zytka;

H.R. 3292. An act for the relief of Consuelo Alvarado de Corpus;

H.R. 4465. An act to enact part III of the District of Columbia Code, entitled "Decedents' Estates and Fiduciary Relations," codifying the general and permanent laws relating to decedents' estates and fiduciary relations in the District of Columbia;

H.R. 5024. An act to amend titles 10 and 14, United States Code, and the Military Personnel and Civilian Employees' Claims Act of 1964, with respect to the settlement of claims against the United States by members of the uniformed services and civilian officers and employees of the United States for damage to, or loss of, personal property incident to their service, and for other purposes;

H.R. 6719. An act for the relief of Mrs. Kazuyo Watanabe Ridgely; and

H.R. 9570. An act to amend the Federal Firearms Act to authorize the Secretary of the Treasury to relieve applicants from certain provisions of the act if he determines that the granting of relief would not be contrary to the public interest, and that the applicant would not be likely to conduct his operations in an unlawful manner.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Thursday, September 9, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1563. A communication from the President of the United States, transmitting proposed appropriations to finance the Public Works and Economic Development Act of 1965, during fiscal year 1966 (H. Doc. No. 290); to the Committee on Appropriations, and ordered to be printed.

1564. A communication from the President of the United States, transmitting proposed supplemental appropriations for the executive branch and the District of Columbia, for fiscal year 1966 (H. Doc. No. 291); to the

Committee on Appropriations, and ordered to be printed.

1565. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the use of funds to provide additional research laboratory space at Stanford University, Stanford, Calif., pursuant to section 1(d)(2), 78 Stat. 310, 311; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 960. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MILLER: Committee on Science and Astronautics. House Joint Resolution 597. Joint resolution providing for the erection of a memorial to the late Dr. Robert H. Goddard, the father of rocketry; with amendment (Rept. No. 961). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 266. A bill to amend sections 404 and 406 of title 37, United States Code, relating to travel and transportation allowances of certain members of the uniformed services who are retired, discharged, or released from active duty; with amendment (Rept. No. 962). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 3140. A bill to amend the Public Health Service Act to assist in combating heart disease, cancer, stroke, and other major diseases; with amendment (Rept. No. 963). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 6852. A bill to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 47 million pounds of abaca from the national stockpile; with amendment (Rept. No. 964). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 9047. A bill to authorize the release of certain quantities of zinc from either the national stockpile or the supplemental stockpile, or both; with amendment (Rept. No. 965). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10748. A bill to authorize the transfer of copper from the national stockpile to the Bureau of the Mint; without amendment (Rept. No. 966). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10715. A bill to authorize the disposal of chemical grade chromite from the supplemental stockpile; without amendment (Rept. No. 967). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10516. A bill authorizing the disposal of vegetable tannin extracts from the national stockpile; without amendment (Rept. No. 968). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10714. A bill to authorize the disposal of colemanite from the supplemental stockpile; without amendment (Rept. No. 969). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOGARTY: Committee of conference. H.R. 10586. A bill making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes (Rept. No. 970). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BROWN of California:

H.R. 10896. A bill to provide for the compensation of persons injured by certain criminal acts; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 10897. A bill to control the use of the design of the great seal of the United States and the seal of the President of the United States; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 10898. A bill to provide for the establishment of the Hudson Highlands National Scenic Riverway in the State of New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PATMAN:

H.R. 10899. A bill to amend the Small Business Act, as amended; to the Committee on Banking and Currency.

By Mr. REUSS:

H.R. 10900. A bill to provide for the establishment of the Apostle Islands National Lakeshore in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CUNNINGHAM:

H.R. 10901. A bill to amend section 5(1) of the Railroad Retirement Act of 1937 to provide benefits for children of deceased railroad employees who are over the age of 18 and below the age of 22 and are attending an educational institution as fulltime students; to the Committee on Interstate and Foreign Commerce.

By Mr. O'KONSKI:

H.R. 10902. A bill to provide for the establishment of the Apostle Islands National Lakeshore in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RACE:

H.R. 10903. A bill relating to certain claims for credit or refund of Federal income taxes; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H.R. 10904. A bill to provide for the establishment of the Hudson Highlands National Scenic Riverway in the State of New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FULTON of Tennessee:

H.R. 10905. A bill to amend title 39, United States Code, to permit the private carriage of letters by independent contractors between offices of business organizations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MOORE:

H.R. 10906. A bill to amend the Merchant Marine Act, 1920, to prohibit transportation of articles to or from the United States aboard certain foreign vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ERLENBORN:

H.J. Res. 657. Joint resolution to authorize the President to proclaim the last week in October of each year as National Water Awareness Week; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.J. Res. 658. Joint resolution to authorize the President to proclaim April 9, 1967, as Bataan-Corregidor Day; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.J. Res. 659. Joint resolution directing the National Capital Planning Commission to make a study of the site selected for the John F. Kennedy Center for the Performing Arts and any other sites proposed for such center; to the Committee on the District of Columbia.

By Mr. OLSEN of Montana:

H. Con. Res. 498. Concurrent resolution to recognize the World Law Day; to the Committee on Foreign Affairs.

By Mr. SCHMIDHAUSER:

H. Con. Res. 499. Concurrent resolution to recognize the World Law Day; to the Committee on Foreign Affairs.

By Mr. HALPERN:

H. Con. Res. 500. Concurrent resolution to recognize the World Law Day; to the Committee on Foreign Affairs.

By Mr. THOMSON of Wisconsin:

H. Res. 572. Resolution to express the sense of the House of Representatives declaring the policy of the United States relative to the intervention of the international communistic movement in the Western Hemisphere; to the Committee on Foreign Affairs.

By Mr. MORSE:

H. Res. 573. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Urban Affairs; to the Committee on Rules.

By Mr. QUIE:

H. Res. 574. Resolution directing the Postmaster General to provide the names of temporary employees employed by the Post Office Department during the summer of 1965; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BARRETT:

H.R. 10907. A bill for the relief of Angela Modaferri; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H.R. 10908. A bill for the relief of Georgia Kampilafkas; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 10909. A bill for the relief of Alan Charles Austin Gabriel; to the Committee on the Judiciary.

By Mr. CAREY:

H.R. 10910. A bill for the relief of Mrs. Sirpouhi Yanikian and her minor son, Ara Yanikian; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 10911. A bill for the relief of Gracia T. Digal; to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 10912. A bill for the relief of Maria LoMonaco; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H.R. 10913. A bill for the relief of Brock & Blevins Co., Inc.; to the Committee on the Judiciary.

By Mr. DENTON:

H.R. 10914. A bill to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of the Wasson Coal Mining Corp. against the United States; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 10915. A bill for the relief of Ninfa Pizzo; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 10916. A bill for the relief of William J. Allen; to the Committee on the Judiciary.

H.R. 10917. A bill for the relief of Mrs. Lessie Edwards; to the Committee on the Judiciary.

H.R. 10918. A bill for the relief of the survivors of Justin E. Burton; to the Committee on the Judiciary.

By Mr. MORSE:

H.R. 10919. A bill for the relief of Pedro Barrera, Mrs. Pilar Boates Barrera and their minor children, Francisco Javier Barrera and Pedro Barrera; to the Committee on the Judiciary.

By Mr. NEDZI:

H.R. 10920. A bill for the relief of Czeslaw Kaczynski, Wanda Maria Kaczynski and Tomasz Kaczynski; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 10921. A bill for the relief of Mrs. Angela C. Alexan; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 10922. A bill for the relief of Angel Saghbazarian; to the Committee on the Judiciary.

By Mr. STUBBLEFIELD:

H.R. 10923. A bill for the relief of Dr. Richard T. C. Wan and his wife, Ruth Ching Wan; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Wheat Shipment to the Soviet Bloc

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 8, 1965

Mr. FINO. Mr. Speaker, I take this opportunity to vigorously express my objections to the proposed reversal of American policy that half the American commercial wheat sales to countries in the Soviet bloc be shipped on American-flag vessels.

In my opinion, it is bad enough that we trade with the Soviet bloc. I see no reason to give the Soviets our wheat to alleviate their grain shortages. I say this because a grain shortage in the Soviet bloc generally forces a cutback in planned industrial building and development, and such a cutback is to our benefit. As far as I am concerned, those who want to trade in wheat with the Soviets as a quick way to pick up our balance of payments without trading strategic material miss the fact that American wheat, while not itself strategic, frees Communist planners to concern themselves with other cold war economic production. Our policy is clearly short sighted.

Mr. Speaker, let me repeat. I do not support trade in wheat with the Soviet bloc. Still less do I feel that American interests ought to be sacrificed to promote this trade at any cost. That is why I oppose sacrificing American maritime interests so that this wheat can be made more attractive to the Soviets. If the Soviets will not buy this wheat when it includes costs of shipment in American ships, then we should not sell it to them.

I know that the wheat producers, grain merchants, and railroads want these wheat sales to the Soviets, whatever the boon to the Soviet economy or whatever the detriment to the American merchant marine. This is pure financial opportunism.

Just a few weeks ago, the Johnson administration surrendered to the Communists in the United Nations on the question of loss of voting power because of unpaid dues. Now the administration wants to surrender on the terms of trade in wheat. There seems to be no limit to the administration's willingness to surrender on financial and other questions with respect to which it would be sensible and proper to take a stand against the Soviets. This is in marked contrast, unfortunately, to the administration's willingness to buy rice paddy acreage with blood in Vietnam, after having seemingly passed up some opportunities to negotiate.

Mr. Speaker, I hope that the administration will not drop the requirement that wheat shipped to the Soviets be shipped 50 percent of the time in American-flag ships. We have seen too many surrenders on easy fields of battle. Let us not compound our mistakes.

Award to Mr. Philip Goldberg

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 8, 1965

Mr. DINGELL. Mr. Speaker, I want to call to the attention of this body the fact that the National Council of Senior Citizens at its medicare victory celebration on August 2 singled out, along with distinguished Members of Congress, the labor movement, and other elements in our national life, Mr. Philip Goldberg, president of the Hamilton Life Insurance Co., of New York City, and the inscription on his award read as follows: "To Philip J. Goldberg for outstanding work on behalf of elderly citizens."

Vice President HUBERT HUMPHREY, in commenting on this recognition as he presented the award to Mr. Goldberg, said:

> He was an outstanding example of the type of businessman who put public service ahead of private profit—who recognized the need to play a constructive role in seeing to it that the business community cooperated with government and gave leadership and talent to the development of programs beneficial to all Americans.

Mr. Goldberg had declared in a speech in October of 1964 that the very nature of medicare is such that it requires a partnership of Government and private enterprise and that in his opinion the legislation was truly in the spirit of the American tradition and in the realization of President Johnson's Great Society. He further stated that it was his firm conviction that just as social security grew to be a boon to the life insurance industry so would medicare prove beneficial to the health insurance field.

Mr. Goldberg indeed deserves credit as do many other American businessmen of his type for the kind of interest they take in religious, civic, and political affairs and I am delighted to be able to add my praise to that of Vice President HUMPHREY and John Edelman, president of the National Council of Senior Citizens, in their tribute to him for the willingness to courageously speak out even when it is unpopular with some of his colleagues in order to fight for decent standards of economic and social well-being for all Americans.

Washington Report

EXTENSION OF REMARKS
OF
HON. JAMES D. MARTIN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 8, 1965

Mr. MARTIN of Alabama. Mr. Speaker, under permission to extend my remarks in the RECORD, I wish to include my weekly report to my constituents of April 22, 1965:

WASHINGTON REPORT FROM CONGRESSMAN JIM MARTIN, SEVENTH DISTRICT, ALABAMA

THE PRESIDENTIAL SUCCESSION RESOLUTION

The House passed House Joint Resolution 1, proposing an amendment to the Constitution providing for presidential succession. The vote was 368 to 29 and I was one of the 29 voting against the resolution. This is one of those technical pieces of legislation not easy to explain, but I feel there is grave danger in approving an amendment to the Constitution which would make it possible for an appointed official, never having been approved by the people, to become President of the United States.

Under this proposal, upon the death of the President, the Vice President, having taken the oath as the new President, would appoint a new Vice President. His appointee would have to be approved by the Senate and House, but there are no restrictions as to whom he could appoint. I could not help but think whom the present Vice President, HUBERT HUMPHREY, might appoint if fate decreed that he became President. Certainly, his choice would be approved by the present liberal majority in the House and Senate. This worries me when I remember that on their first vote after having been sworn in as Members of the 89th Congress and having taken an oath to uphold the Constitution, 149 Members of this Congress voted not to seat the legally elected Members of Congress from the State of Mississippi. What could happen in the future, and what kind of man could be appointed as Vice President if some later Congress, made up of ultraliberal-radicals, decided to impose their choice on the people? It is too dangerous a power to confer lightly.

I believe we should follow the present order of succession which makes the Speaker

of the House next in line for Vice President. When the Vice President moved up on the death of a President, the Speaker would become Vice President and the House would elect a new Speaker. In this way we would insure that those holding the highest and most powerful offices in the land would have been approved, at least in their selection originally, by the people. The succession amendment will now have to be approved by a majority of State legislatures and I hope some consideration may be given these points.

INVESTIGATION OF UN-AMERICAN GROUPS

The House approved an appropriation of $50,000 to permit the House Committee on Un-American Activities to investigate the Ku Klux Klan. I voted for the appropriation because I believe we should bring out in the open all the facts concerning any group where there is suspicion of un-American activities. I did, however, urge the House to include in the investigation such organizations as COPE, the Student Nonviolent Coordinating Committee, the Southern Christian Leadership Conference, NAACP, and the Southern Conference Education Fund. If these groups and their leaders have nothing to hide, why should they object to a full and complete investigation of their activities, their motives, and those who plan demonstrations and call for breaking the laws of the land. It was quite interesting to note that the liberals in the House were against the investigation because they were afraid it would lead to a demand for an investigation of all these organizations.

SOCIALISM FAILS AGAIN

While the Johnson administration hails each additional step toward socialism as a victory, the world witnesses another failure in socialism—France is going broke under its state controlled, socialistic programs. Last year the Government-owned railroads in France lost $20 million. (Yet, the railroad union leaders just a few weeks ago called for the U.S. Government to take over the railroads here.) The French Government-operated gas company lost $7 million in 1964. The Paris airport lost $6 million last year. Paris subways and bus systems continue to run up big losses. The French Government last fall conceded that its medicare program was bankrupt. One hundred and twenty-two nationalized industries in France are losing money. In contrast, private industry in France is flourishing.

Before we go whole hog for the Great Society, Lyndon Johnson promises through socializing more and more of the private sector in the United States, it makes good sense to take a look at Socialist failures whenever private incentive is taken away and private initiative curtailed.

The United States built the greatest economy in the history of man, offered greater benefits to more people and created the highest standard of living, all under private enterprise. Let's not lose that spirit now by turning to new economic systems here, systems which have been tried by country after country and have failed in every instance.

Augustine La Corte and Unico National

EXTENSION OF REMARKS

OF

HON. CHARLES S. JOELSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 8, 1965

Mr. JOELSON. Mr. Speaker, it is with pleasure that I report to my colleagues the election of my distinguished constituent, Augustine La Corte, as president of Unico National. "Gus," as he is known to his many friends, well deserves the honor. I extend warm congratulations to him and his charming wife, Sarah.

The motto of Unico National is "Service Above Self." It has lived up to its motto by fostering a scholarship program which has helped many young men and women to attain a college education, and ultimately go on to positions of leadership and responsibility.

Unico National is a constant reminder to the people of America of the great contributions made by Americans of Italian descent in our Nation.

I am sure that under the leadership of Gus La Corte, this fine organization will continue to grow and to render dedicated public service.

Washington Report

EXTENSION OF REMARKS

OF

HON. JAMES D. MARTIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 8, 1965

Mr. MARTIN of Alabama. Mr. Speaker, under permission to extend my remarks in the RECORD, I include my newsletter, Washington Report, of April 6, 1965:

WASHINGTON REPORT—THE VOTING RIGHTS BILL

(By Congressman JIM MARTIN, Seventh District, Alabama)

Congress is going to pass a voting rights bill. My personal belief is that no new legislation is necessary. There are enough laws on the books now to protect the right of every qualified American citizen to vote without discrimination because of his color, his race, or his religion. Proper enforcement of present laws would assure that right. However, we are faced with a situation which is unprecedented in American history. The President has demanded that Congress pass a bill on voting rights and, spurred by the emotion which is gripping our country at the present time, Congress will pass such a bill. So when Members of Congress vote on this bill they will not have the choice of either taking the President's bill or have no bill at all. The only chance we have to defeat the President's bill, with all its discrimination and retaliatory moves against the South, is to adopt a better bill. We can protect the right of qualified citizens to vote and at the same time preserve the constitutional guarantees of the States to determine election laws and voter qualifications.

I have been working unceasingly for such an improved bill and the Republican Members of the House will offer one as a substitute for the President's bill. While the Republican bill still does not meet fully my original conception, it is a much better measure than the President's bill.

1. The Johnson bill applies to only a few States and only to a few counties in other States where there is a literacy test and less than half the adult population was registered or voted in the last election. The Republican bill applies to the Nation at large including every State and every county in every State where discrimination in registration and voting is being practiced.

2. The Johnson bill undertakes by statute rather than constitutional amendment to outlaw poll taxes in State and local elections. The Republican bill does not deal with poll taxes.

3. The Johnson bill authorized a State to win an exemption from coverage by proving that it had not practiced racial discrimination against a single individual a single time in the last 10 years. This is a reversal of the concept that the accused is presumed innocent until proven guilty. Since the Republican bill applies to all States, there is no need for such a provision.

4. The Johnson bill provided that, after the effective date of the bill, no State legislature could enact an enforceable change in its voting laws without first bringing a lawsuit for a declaratory judgment against the United States in the Federal court in the District of Columbia seeking prior approval. The Republican bill, recognizing that such a procedure violates the doctrine of separation of powers, States rights, and the very definition of the Federal system itself, has no such provision.

5. The Johnson bill outlaws all literacy tests in States covered by the bill. The Republican bill provides that a sixth-grade education will raise a presumption of literacy and that those with less than a sixth-grade education may still be able to prove that they are literate.

6. The Johnson bill fixes criminal penalties against both officials and private citizens for coercion and intimidation of prospective voters. Since the mandate against racial discrimination in the 14th and 15th amendments runs against officials only and not private citizens, these penalties are subject to constitutional attack. The Republican bill provides penalties against officials only.

This brief explanation clearly shows that the Republican bill will safeguard the constitutional rights of the States and individuals. This is the problem Congress will face to take the President's disastrous bill or the Republican bill.

There will be no other choice.

To reiterate my own position:

1. I believe that every qualified American citizen should have the right to vote.

2. I believe that right is guaranteed under present laws and that no new legislation is necessary.

3. I believe that we must prevent the President's bill from becoming law if we are to save our present form of Government, a representative Republic.

National Lotteries of Australia and the Far East

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 8, 1965

Mr. FINO. Mr. Speaker, today I would like to bring to the attention of the Members of this House some figures showing the social and financial benefits of the national lotteries of Australia and the Far East. The lotteries of the Far East brought in gross receipts of $124.4 million in 1964, earning a profit of $50.3 million. The lotteries of Australia and New Zealand took in gross receipts of $111 million that year, with net income amounting to $32.7 million.

India and Pakistan, between which nations a border war now rages, both used the lottery device during 1964, by giving

prizes in lieu of a percentage of what would otherwise be normal interest on government bonds. Himalayan Nepal, in the mountains north of India, has private lotteries, as does remote Afganistan in the northwest. Ceylon's national lottery took in $1.4 million in 1964, with the $600,000 profit being used for national development.

Burma and Thailand both operate lotteries, which together brought in gross receipts of $43.7 million in 1964. The income to the two Governments totaled $12.5 million; much of the Thai income being used for housing. Further east, Cambodia's lottery took in $27.4 million in 1964, yielding a $20.2 million profit to the general revenues. The national lottery of mountain Laos was a victim of the 1964 coup d'etat.

The two enemies, Indonesia and Malaysia, both have lotteries. Malaysia's took in gross receipts of $16.5 million in 1964, leaving the Government an income of $4 million, which was expended upon social welfare. Indonesia's lottery also aided social welfare, but to a lesser extent. Gross receipts in 1964 appear to have been in the neighborhood of $1 million, with profits half that much, but a lack of a definitive exchange value for the Indonesian currency makes precision impossible.

Nationalist Chinese Formosa has a lottery which grossed $5.9 million in 1964, earning a $2.6 million profit for the treasury. The lottery of the Island Republic of the Philippines grossed $13 million and earned an income of $4 million for charity and local organizations.

The Japanese national lottery took in a gross of $14 million in 1964, earning a $5.2 million profit for public works expenditures.

Australia's lotteries are four state lotteries. They grossed $100 million in 1964. earning $30 million for charity, hospitals, and the Sydney Opera in New South Wales. New Zealand's lottery earned $2.7 million for youth, welfare, and cultural activities out of a gross receipt total of $11 million.

The British Crown Colony of Hong Kong has a lottery which grossed $1.8 million last year. Its $700,000 net income was used for social welfare purposes.

Washington Report

EXTENSION OF REMARKS
OF

HON. JAMES D. MARTIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 8, 1965

Mr. MARTIN of Alabama. Mr. Speaker, under permission to extend my remarks in the RECORD I include my Washington Report to my constituents for April 1, 1965:

A CHALLENGE FOR AMERICA'S CLERGY

(Washington Report from Congressman JIM MARTIN)

This week I wrote to Bishop John Wesley Lord, of the Methodist Church to suggest a program whereby America's clergy could lead a great crusade that would strike at the roots of the problem facing the Negroes in the South. I explained to Bishop Lord the real trouble is economic—the lack of opportunity in counties of the South where as high as 80 percent of the population is colored and tied to a soil which is no longer productive. With little education and no industry these people are forced to eke out a meager existence. It is beyond the economic capability of the Southern States to solve this problem.

My challenge to Bishop Lord was that he as a religious leader who has expressed concern for the Negroes of the South by marching in Selma, urge the Methodist churches across the Nation to join in helping to relocate Negroes from the South who would like to move to another section of the country where they can have equal opportunity for a good job at good wages so they can raise their families in the best American tradition. If each church would take a family or 2 or 10 to the vast areas of this bountiful country where Negroes comprise less than 10 percent of the population, welcome them into their communities in the true spirit of brotherhood which is the basis of our Judeo-Christian beliefs, help to retrain them, get them jobs, within 5 years, or at the most 10, most of the problem would be solved.

Bishop Lord answered me with a form letter explaining his reason for going to Selma, but completely ignoring the contents of my letter to him. This is the sad part of the present situation—too many feel that basic problems can be solved by demonstrations and by working up passions against a particular section of the country and its officials, but are unwilling to face the true facts of the cause of the disease, much less put forth the effort it will take to help all Americans truly realize the American dream.

AID TO EDUCATION

This week the House debated and passed the Federal aid to education bill, disguised as a bill to help the children of the poor. I opposed the bill and voted against it on final passage. I am against general Federal aid to education and that is the real purpose behind the President's bill. It will lead to further increased pressure by the heel of federalism on the people and the States. A natural followup of this bill will be complete Federal control of local school systems and compete dictation by a Federal bureaucrat from Washington, making local control of our schools and the efforts of the PTA a thing of the past. Lest you think this is just scare talk on my part, let us look at the minority views in the report on H.R. 2362, the President's bill:

"This bill is a thinly veiled attempt to launch a general Federal aid to education program by means of a spurious appeal to purposes which it would not adequately serve. It manages to incorporate the worst features of general aid with the worst features of specialized aid, while dispersing limited funds to 90 percent of our school districts without regard to need."

The minority views further contain this startling statement:

"This bill contains very dangerous provisions which would permit the U.S. Commissioner of Education to establish Federal-local schools and facilities without the approval of a State education agency and financed 100 percent with Federal funds. This is the most direct and far-reaching intrusion of Federal authority into our local schools systems ever proposed in a bill before Congress."

I pointed out the hypocrisy of the bill, and of those who have been encouraging the Selma demonstrations, in a speech to the House in support of an amendment to the bill by Congresswoman EDITH GREEN, of Oregon, to actually make the Federal funds available to the children of the poor. Under Mrs. GREEN's amendment, Alabama would receive $13,602,000 more than we will under the President's bill. Further necessity for the amendment is indicated in the figures which show that the President's bill will give Alabama $140 in aid for each schoolchild in poverty while in New York the amount will be $353 per schoolchild in poverty. Yet, Alabama's effort amounts to $4.21 per capita income as against $4.69 in New York, almost the same. No Alabamian can justify such inequality. If the bill is to help the children of the poor, why would our children receive less than half the amount that a child receives in New York, one of the richest States in the Union? Naturally, the administration forces shouted down the Green amendment.

Further, inequities under the President's bill are shown in figures which reveal the 10 most wealthy counties in the United States receiving twice as much in grants as the 10 poorest counties. For instance, Montgomery County, Md., a suburb of Washington, D.C., is the wealthiest county in the country with an average annual income of $9,317 per family. This just happens to be more than eight times the average family income in Tunica County, Miss. In Tunica County 54 percent of the school-age children come from families with a yearly income of less than $2,000. In Montgomery County only 2 percent of all school-age children come from families with a yearly income of less than $2,000. Yet in the President's bill Montgomery County will receive $572,000 while Tunica County will receive $350,000, or almost a quarter of a million dollars less than the richest county in the entire United States. The result of the President's bill, which he says is to "help the impoverished," actually makes the rich richer at the expense of the poor who are paying Federal taxes to help underwrite this program.

Washington Report

EXTENSION OF REMARKS
OF

HON. JAMES D. MARTIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 8, 1965

Mr. MARTIN of Alabama. Mr. Speaker, under permission to extend my remarks in the RECORD I include my report to my constituents of April 8, 1965:

WASHINGTON REPORT FROM CONGRESSMAN JIM MARTIN, SEVENTH DISTRICT, ALA.

BOYCOTT IS UN-AMERICAN

Martin Luther King's arrogance in calling for a boycott of Alabama has exposed his irresponsibility and caused many who have been misled by him to have second thoughts as to his real motives. His pious statements about wanting to improve life for the Negroes sounds hollow when he advocates wrecking Alabama business and industry which provide jobs for thousands of Negroes.

It will be my continued purpose to expose the false motives of the selfseekers in America as well as those who would destroy our traditions of freedom and who would scrap the Constitution.

In a news story last week in the Washington papers a business firm, the Childs Securities Corp., announced it was going along with the demands of the self-appointed savior of American Negroes and boycotting Alabama. In answer I stated in the CONGRESSIONAL RECORD: "I am amazed and shocked that a reputable business firm would be so unethical and so lacking in American principles as to participate in such an action.

The support of an economic boycott against a whole State and its people is a well organized Communist technique which has been used to topple every government which the Communists have taken over."

I shall continue to call to the attention of Congress and the American people any business firm, union or other organization which joins in the un-American action of taking part in a boycott of Alabama.

CALL FOR COMPLETE INVESTIGATION

In a speech to the House of Representatives I called upon the House Committee on Un-American Activities to conduct a thorough and complete investigation of all groups "responsible for lawlessness and violence." I included CORE, the Student Nonviolent Coordinating Committee, the Ku Klux Klan, the Southern Christian Leadership, NAACP, and the Southern Conference Education Fund. Calling for this investigation, I said, in part:

"Nearly 2 months ago I asked the President and the Members of this body to use their great influence to bring an end to the defiance of law and order in Alabama. I deplored then, and I deplore now, acts of violence and the tearing down of law and order. No decent, self-respecting, law-abiding American condones murder or those who incite to murder. We are against lynching and mob rule and killing whether inspired by cowardly riders in the night or pious hypocrites agitating in the public streets.

"On numerous occasions I have pointed out the Communist influence in some of the organizations responsible for the demonstrations in Selma and other places. These charges should be investigated, not shrugged off by these leaders as the leaders of violence did so casually on several TV interviews last Sunday.

"I call upon the American people to stop following false leaders who trade upon our national trait for compassion for our fellow man to engage in un-American pursuits."

WATER POLLUTION CONTROL BILL

The Republican policy committee, of which I am a member, unanimously endorsed the water pollution control bill, S. 4, after it had been improved through Republican efforts in my Committee on Public Works. The bill, as amended, meets with the approval of the State governments, industry, and all organizations concerned with cleaning up our rivers and streams. We cannot deny that the steadily increasing pollution of the once clear waters of the United States has become a problem of concern to all Americans. Here again, our task was to put into proper perspective the role of the Federal Government, the States, local communities, industry, and private individuals. The Senate version gave undue powers to the Federal Government. The House version has removed the dangers of Federal control and domination.

HOUSE ACTIONS

The House approved unanimously the Water Resources Planning Act. In this area too there is a proper function for the Federal Government. This bill establishes a Water Resources Council and provides for the setting up of river basin planning commissions with plans for Federal, State, interstate, local and private development of our water resources.

The House approved also, with only one dissenting vote, a bill to help our older citizens by authorizing assistance to the States in developing improved programs at the community level to help solve the problems created by aging.

By a unanimous vote the House approved H.R. 4257, to amend the Manpower Training Act of 1962. The history of this legislation has been good, and progress has been made toward retraining American workers unemployed because of technological advances. The amendments strengthen the program and assure better cooperation between Federal and State governments.

SPEAKING ENGAGEMENTS

As far as time and the demand of legislative business permits, I will continue to tell the story of the South in other sections of the Nation and report to southerners the attitudes existing elsewhere. This past weekend I spoke in Atlanta, Ga., Raleigh, N.C., and Birmingham. In addition I made several TV appearances and radio broadcasts.

Congressman Horton Welcomes March of Dimes Big City Meeting

EXTENSION OF REMARKS
OF
HON. FRANK HORTON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 8, 1965

Mr. HORTON. Mr. Speaker, on October 4 and 5, 1965, in Washington, the National Foundation—March of Dimes will convene its most important meeting of the year. At that time, more than 500 top-level volunteer leaders, representing all 50 States and every major city, will plan the 1966 March of Dimes campaign against birth defects, one of the Nation's leading causes of premature death and disability.

The importance of their task cannot be overstated. Each year in the United States, an estimated 250,000 babies are born with significant birth defects. Sixty thousand children and adults and an estimated half million unborn babies die as a result of these defects. With the exception of heart disease, no other condition claims so many lives.

Some of the causes of these tragedies are known. The news media recently focused attention on the thousands of defective children being born to mothers infected with German measles during last year's epidemic. In most cases, however, neither causes nor means of prevention nor specific methods of treatment are known.

The National Foundation—March of Dimes has made a strong beginning in the fight against these problems through its national network of treatment centers and an international program of scientific research. It is to map a program of expansion in this urgent campaign that these volunteers from across the country are meeting here in Washington.

The National Foundation—March of Dimes, since its establishment in 1938, has always believed that the way to solve a problem in America is to bring its importance home to the public. When the people are convinced that the job is important enough, they will do something about it. That is what happened in the fight against polio when the public, through the March of Dimes, achieved one of the most important medical victories of our time: the development of the Salk and Sabin vaccines.

The men and women attending this national conference will be truly representative of the people of their States and communities, where they are laboring to bring about an awareness of the birth defects problem. They are the chairmen of each State March of Dimes organization, the State chairmen of women's activities, and the chairmen of the largest of the foundation's 3,100 county chapters. Last year, they and their counterparts coordinated the work of an army of some 3 million volunteers, including a corps of nearly a million Marching Mothers who visited an estimated 10 million homes distributing educational materials and seeking financial support for the March of Dimes.

Mr. Speaker, it is obvious that a great part of America is involved in this massive struggle. I know that all the Members of this House join with me in welcoming these dedicated people to our Capital City and in wishing them every success as they plan the important work of attacking the scourge of birth defects.

HOUSE OF REPRESENTATIVES

THURSDAY, SEPTEMBER 9, 1965

The House met at 12 o'clock noon.

Rev. John B. Brady, archdiocesan scout chaplain, Archdiocese of Washington, D.C., offered the following prayer:

Father above, we thank Thee for our great land with its snowcapped mountains and alpine tundra, trout-filled streams, wooded forests, grasslands, deserts, and plains.

We thank Thee for the culture of the red man, the bravery of the pioneer and missionaries, and the legislation of our Founding Fathers that has become the heritage of our generation.

Help us to treasure these priceless God-given gifts and to use them to help the underprivileged, the minorities, the needy, the poor, the youth, the aged, the sick and infirmed, the widows and orphans, all the citizens of our land and all the peoples of the world.

Help us to undergird the structure of our Nation by fortifying all our departments of public service.

Grant that our deliberations and decisions may bring prosperity and peace to all nations and add to the greater glory of God and the benefit of all mankind. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced