

## SENATE

TUESDAY, JULY 10, 1962

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:

O God of men and nations, always we come to Thee with deep gratitude for our surpassing heritage.

In the midst of the turmoil of these testing days, we would keep vivid before us the vision of a righteous nation with freedom and justice and opportunity for all.

We lift our prayer to Thee, conscious that our Charter of Freedom reminds us that our worth and our dignity as individuals lie, not in our role as citizens of any State, but because Thou hast created us in Thine image. Beneath our diversities, may we keep sacred the fundamental unity which is the true glory of this dear land of freedom.

Open our eyes to the solemn facts of these contentious days which make it more and more clear that the massed difficulties besetting us are not so much political and economic as they are moral and spiritual, and that in all our baffled search for solution, only by fresh awareness of Thee can the present social decay, which threatens the inner life and the outer strength of the Nation, be changed to decency and righteousness.

We lift our prayer in the Saviour's name. Amen.

## THE JOURNAL

On request of Mr. SMATHERS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 9, 1962, was dispensed with.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations and withdrawing the nomination of Paul F. Gerene, of Texas, to be Deputy Director of the Peace Corps, transmitted to the Senate on February 19, 1962, were communicated to the Senate by Mr. Ratchford, one of his secretaries.

## LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. SMATHERS, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

## PAYMENT OF WAR DAMAGE RESTORATION CLAIMS IN PHILIPPINE ISLANDS—RESOLUTION OF FILIPINO CHAMBER OF COMMERCE

Mr. FONG. Mr. President, last week, Thursday, July 5, the Filipino Chamber

of Commerce of Honolulu adopted a resolution urging Congress to approve \$73 million for payment of war damage restoration claims in the Philippine Islands.

The resolution forwarded to me by the Filipino Chamber of Commerce represents the opinions of businessmen as well as professional men in every walk of life whose ancestors migrated to Hawaii from those islands.

Many members of the Filipino chamber have relatives and friends residing in the Philippines and they believe that payment of the war damage claims would in some measure assist in raising the overall economy of the Philippines.

I ask unanimous consent that this resolution adopted by the Filipino Chamber of Commerce of Honolulu be printed in the RECORD at this point.

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

Whereas \$400 million had been made available by the Congress of the United States by the Philippine Rehabilitation Act of 1946 to help rehabilitate private properties damaged in the Philippines during World War II;

Whereas \$73 million remains yet to be remitted by the United States on the said account, in order to complete the balance of the original appropriation;

Whereas the Filipinos have continually entertained hopes that the total obligation which had been previously accepted by the Congress of the United States would now be formally assumed, inadequate as it apparently has been, in order for the restoration efforts on properties which had been either part-way abandoned or fully unstarted could be resumed;

Whereas the Filipinos while fighting the common foe were encouraged in their resistance by frequent statements and repeated assurances then coming from the United States that their property "would be restored even to the last carabao";

Whereas 17 years after the end of that war, the belated recognition on the part of the Congress of the United States of its original obligation was unrecognized by the failure of its House of Representatives on May 9, 1962, to pass the necessary appropriation for the remaining balance on the original account; and

Whereas this surprise action of the United States House of Representatives may be considered most uncalled for, based on the statement of former Chairman Frank A. Waring, of the United States-Philippine War Damage Commission, urging: "Let us finish the job begun in 1946, with honor and credit to the United States": Now, therefore, be it

*Resolved*, That the Filipino Chamber of Commerce of Honolulu by its board of directors petition, as it does hereby petition, the duly chosen representatives of Hawaii in the Congress of the United States to exert their best efforts in the passage of a bill appropriating \$73 million to fulfill the Philippine war damage claim obligation of the Government of the United States; and be it further

*Resolved*, That copies of this resolution be sent each to U.S. Senator Hiram L. Fong, U.S. Senator Oren E. Long, U.S. Representative Daniel K. Inouye; His Excellency, Diosdado Macapagal, President of the Philippines; His Honor, Antonio Villegas, mayor of Manila; the Honorable Alejandro D. Yango, Consul General of the Philippines; and the office of the State chamber of commerce of Hawaii.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

S. 3109. A bill to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities (Rept. No. 1690);

H.R. 1811. An act to amend chapter 35 of title 38, United States Code, relating to war orphans' educational assistance, in order to permit eligible persons thereunder to attend foreign educational institutions under certain circumstances (Rept. No. 1691); and

H.R. 8992. An act to amend certain administrative provisions of title 38, United States Code, relating to the Department of Medicine and Surgery in the Veterans' Administration (Rept. No. 1693).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with an amendment:

S. 2869. A bill to amend chapter 31 of title 38, United States Code, to afford additional time during which certain veterans blinded by reason of a service-connected disability may be afforded vocational rehabilitation training (Rept. No. 1694); and

H.R. 10069. An act to amend section 216 of title 38, United States Code, relating to prosthetic research in the Veterans' Administration (Rept. No. 1695).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 7431. An act to provide for the free entry of certain stained glass for St. Joseph's Cathedral, Hartford, Conn., and for the Church of St. Francis Xavier of Phoenix, Ariz. (Rept. No. 1697);

H.R. 8282. An act to amend section 3203(d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child (Rept. No. 1700);

H.R. 8415. An act to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care (Rept. No. 1699);

H.R. 8938. An act to provide a more definitive tariff classification description for lightweight bicycles (Rept. No. 1696);

H.R. 10068. An act to amend section 742 of title 38, United States Code, to permit the exchange of 5-year term policies of U.S. Government life insurance to a special endowment at age 96 plan (Rept. No. 1701); and

H.R. 10699. An act to liberalize the provisions of title 38, United States Code, relating to the assignment of national service life insurance (Rept. No. 1698).

## EXTENSION OF MAXIMUM MATURITY OF VETERANS' ADMINISTRATION GUARANTEED OR INSURED HOME LOANS FROM 30 TO 35 YEARS—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1699)

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably the bill (S. 3024) to extend the maximum maturity of Veterans' Administration guaranteed or insured home loans from 30 to 35 years, and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators GOLDWATER, TOWER, and MURPHY.

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

**AMENDMENT OF CHAPTER 35 OF TITLE 38, UNITED STATES CODE, TO PROVIDE STATE APPROVAL OF COURSES UNDER THE WAR ORPHANS EDUCATIONAL ASSISTANCE PROGRAM—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1692)**

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably the bill (H.R. 5939) to amend chapter 35 of title 38, United States Code, to provide that after the expiration of education and training under the Korean GI bill, approval of courses under the war orphans educational assistance program shall be by State approving agencies, and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators GOLDWATER, TOWER, and MURPHY.

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

**REPORT ENTITLED "A BUILDING FOR A MUSEUM OF HISTORY AND TECHNOLOGY FOR THE SMITHSONIAN INSTITUTION" (S. REPT. NO. 1702)**

Mr. ANDERSON, from the Joint Congressional Committee on Construction of a Building for a Museum of History and Technology for the Smithsonian Institution, pursuant to section 4 of Public Law 106, 84th Congress, 69 Stat. 189, submitted a report entitled "A Building for a Museum of History and Technology for the Smithsonian Institution," which was ordered to be printed.

**BILLS INTRODUCED**

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

By Mr. ANDERSON (for himself, Mr. RANDOLPH, Mr. DOUGLAS, Mr. JAVITS, and Mr. BYRD of West Virginia):

S. 3521. A bill to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions; to the Committee on Finance.

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

By Mr. DIRKSEN:

S. 3522. A bill for the relief of A. L. Strong & Son; and

S. 3523. A bill relating to the appointment of the Director and Associate Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

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

By Mr. CARLSON:

S. 3524. A bill to provide for the issuance of a special postage stamp in honor of the

memory of Amella Earhart; to the Committee on Post Office and Civil Service.

By Mr. CHAVEZ (by request):

S. 3525. A bill to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW. in the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. CLARK:

S. 3526. A bill for the relief of Joan Winkel Biront; to the Committee on the Judiciary.

**AMENDMENT OF SOCIAL SECURITY ACT, TO EXTEND THE PROVISIONS OF CERTAIN PUBLIC ASSISTANCE PROVISIONS FOR 2 MONTHS**

Mr. ANDERSON. Mr. President, I introduce, for appropriate reference, a bill to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions.

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

The bill (S. 3521) to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions, introduced by Mr. ANDERSON (for himself, Mr. RANDOLPH, Mr. DOUGLAS, Mr. JAVITS, and Mr. BYRD of West Virginia), was received, read twice by its title, and referred to the Committee on Finance.

Mr. ANDERSON. Mr. President, this bill was recommended to the Senate on June 27, 1962, by the Department of Health, Education, and Welfare. In introducing the bill, I refer particularly to statements made on yesterday by the Senator from Illinois [Mr. DIRKSEN]; and I ask unanimous consent that two paragraphs from an article published today in the Washington Post be printed at this point in the RECORD.

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

Rather than hold up benefits to dependent children of unemployed parents and other welfare funds in the welfare bill that is being used as a carrier, he said, Republicans also are considering a move to recommit.

If the Senate fails to table the medical care plan, DIRKSEN said the motion to recommit will probably provide for reporting the public welfare bill immediately back to the Senate, with the health-care amendment deleted. Said DIRKSEN: "Thousands of checks are being drawn [for welfare payments] and there are no covering funds. We have got to get that part of the bill out."

Mr. ANDERSON. Mr. President, these paragraphs point out that there are individuals who need to receive their welfare payment checks, as the Senator from Illinois [Mr. DIRKSEN] has correctly stated, and that the checks for welfare payments are being drawn, but there are no funds with which to pay them, and that we must at once pass at least that part of the public welfare amendments bill.

It happens that the Secretary of Health, Education, and Welfare sent us this proposal on June 27, of this year, in a letter addressed to the Speaker of the House and to the President of the Senate. I ask unanimous consent to have

printed at this point in the RECORD the letter written by Secretary Abe Ribicoff and a copy of the bill which he transmitted at that time.

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

DEPARTMENT OF HEALTH,  
EDUCATION, AND WELFARE,  
June 27, 1962.

The VICE PRESIDENT,  
U.S. Senate,  
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing for your consideration a draft bill to amend the Social Security Act and related provisions to extend for 2 months certain temporary public assistance provisions.

Five provisions of the Social Security Act relating to public assistance programs are scheduled to expire on June 30, 1962 under existing law. They are:

1. Authority for the Federal Government to participate financially in payments of aid to dependent children made because of need arising due to the unemployment of a parent.

2. Provision for Federal financial participation in payments of aid to dependent children to certain children in foster family homes.

3. An increase of \$1 in the amount of assistance in which the Federal Government will participate for each recipient under the programs of old-age assistance, aid to the blind, and aid to the totally and permanently disabled.

4. Provision for assistance to certain U.S. citizens returned to this country from abroad who are without available resources.

5. Increase in the amount of the Federal grant for public assistance payments in Puerto Rico, the Virgin Islands, and Guam.

All of these provisions are contained in H.R. 10606 as it passed the House of Representatives and as it was reported to the Senate by the Senate Committee on Finance. Since final action on that bill now appears unlikely prior to July 1, the enclosed bill would extend for 2 months the expiring provisions of existing laws.

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

Sincerely,

ABRAHAM RIBICOFF,  
Secretary.

S. 3521

A bill to amend the Social Security Act and related provisions to extend for two months certain temporary public assistance provisions

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

EXTENSION OF AID WITH RESPECT TO DEPENDENT CHILDREN OF UNEMPLOYED PARENTS

SECTION 1. So much of the first sentence of section 407 of the Social Security Act as precedes paragraph (a) thereof is amended by striking out "June 30, 1962" and inserting in lieu thereof "August 31, 1962".

EXTENSION OF AID WITH RESPECT TO FOSTER FAMILY HOME CARE

SEC. 2. So much of the first sentence of section 408 of the Social Security Act as precedes paragraph (a) thereof is amended by striking out "June 30, 1962" and inserting in lieu thereof "August 31, 1962".

EXTENSION OF INCREASE IN FEDERAL SHARE OF PUBLIC ASSISTANCE PAYMENTS

SEC. 3. Section 303(e) of the Social Security Amendments of 1961 (Public Law 87-64) is amended by striking out "July 1, 1962" and inserting in lieu thereof "September 1, 1962".



EXTENSION OF ASSISTANCE TO REPATRIATED  
AMERICAN CITIZENS

SEC. 4. Section 1113(d) of the Social Security Act is amended by striking out "June 30, 1962" and inserting in lieu thereof "August 31, 1962".

INCREASE IN LIMITATION ON TOTAL PUBLIC AS-  
SISTANCE PAYMENTS TO PUERTO RICO, THE  
VIRGIN ISLANDS, AND GUAM

SEC. 5. Effective only for the fiscal year ending June 30, 1963, section 1108 of the Social Security Act (as amended by section 6 of Public Law 87-51) is amended by striking out "\$9,125,000" and inserting in lieu thereof "\$9,200,000", by striking out "\$318,750" and inserting in lieu thereof "\$319,000", and by striking out "\$425,000" and inserting in lieu thereof "\$426,000".

Mr. ANDERSON. Mr. President, the situation to which the Senator from Illinois referred was, I am sure, accurately portrayed by him. I am informed that there is a real crisis in connection with public assistance, not only in Illinois, but also in other States; and therefore both the Senators from West Virginia [Mr. RANDOLPH and Mr. BYRD] have joined in sponsoring this bill, as have the Senator from Illinois [Mr. DOUGLAS] and the Senator from New York [Mr. JAVITS].

The crisis in Illinois has been referred to in some newspaper articles to the effect that it will be necessary to make reductions, estimated as amounting to as much as 30 percent, in the social security payments. I ask unanimous consent that excerpts from an article—that is to say, the references in it pertaining to this particular situation—published in the Chicago Tribune of July 9, be printed at this point in the RECORD.

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

The battle over relief cuts ordered by Governor Kerner continued yesterday as C. Virgil Martin turned down a plea by Mayor Daley to withdraw his resignation as chairman of the Illinois Public Aid Commission.

The African-American Heritage Association announced that it has started circulating petitions urging Governor Kerner "to reconsider seriously any effort to cut relief and living standards."

Reginald Petty, president of the Chicago council of the association, sent Kerner a telegram requesting him to call a special legislative session immediately to appropriate more relief funds. More than 81 percent of the relief clients in Chicago are Negroes.

WARNS OF SERIOUS PROBLEMS

"We can view the threatened action to cut the budgets of citizens on relief as further attacks upon the living standards of all Americans," Petty said in a statement. "We must view with alarm this threat as it is primarily directed against American citizens of African descent."

"If the standard of living is further pushed down for the Afro-American by cutting the already inadequate relief budget this cannot but presage further and serious problems for Illinois and America as a whole."

Martin has said that to cut relief payments 51 percent in order to stretch the biennial appropriation of \$499 million until next June 30 would be "intolerable" to the public.

"Anyone who pushed for a 51-percent cut would be in real trouble," he added.

A cut of 22.3 percent would carry the IPAC through February, while a cut of 8.6 percent

would enable the IPAC to get through January.

Mr. ANDERSON. Finally, Mr. President, the Secretary of Health, Education, and Welfare himself wrote to me on July 6, in response to my question as to what was happening in this field; and in the letter he indicated that some time ago, he had submitted this proposed legislation to Congress, and that he hoped something would be done to make sure that these individuals, who now are in jeopardy, might be properly taken care of. I ask unanimous consent that his letter of July 6 be printed at this point in the RECORD.

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

THE SECRETARY OF HEALTH,  
EDUCATION, AND WELFARE,  
Washington, D.C., July 6, 1962.

HON. CLINTON P. ANDERSON,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR ANDERSON: This is in response to your request as to any problems that might arise if the final enactment of the public welfare amendments is somewhat delayed.

As you know, the public welfare bill includes extensions, and in some instances, makes permanent, five provisions of law that expired on June 30, 1962. These are provisions for: Federal financial participation in aid to dependent children of unemployed parents; in foster family home care of certain dependent children; and in a temporary increase of \$1 in the average amount of payment subject to Federal participation under old-age assistance, aid to the blind, and aid to the permanently and totally disabled; assistance to American citizens returned from abroad when they are without available resources; and a temporary increase in the ceilings on grants to Puerto Rico, the Virgin Islands, and Guam.

Some State laws do not permit the operation of some of these programs unless the programs are eligible for Federal financial participation. Some States, however, would probably continue, for the time being at least, such programs on the assumption that Federal authority would be extended in the near future and that Federal grants would be retroactive to July 1.

We have accordingly submitted to the Congress legislation which would extend for 2 months all of the provisions which have June 30, 1962, expiration dates. I respectfully urge the immediate adoption of this legislation. If this simple device is adopted there would be no significant problems arising from the Congress' taking time to consider your health insurance amendment to the welfare bill.

In my judgment your proposal for health insurance for aged persons through the social security system is one of the most important measures pending before the Congress. It is my earnest hope that it will receive favorable consideration by this Congress.

Sincerely,

ABE RIBICOFF.

PRESIDENTIAL APPOINTMENT AND  
SENATE CONFIRMATION OF DI-  
RECTOR OF FEDERAL BUREAU OF  
INVESTIGATION

Mr. DIRKSEN. Mr. President. In my work on the Senate Judiciary Committee, I discovered that, strangely enough, the Director of the Federal Bureau of Investigation is not legally required to be appointed by the President,

nor is confirmation by the Senate required.

The FBI actually began as an agency of Government on July 26, 1908, under President Theodore Roosevelt, and was created because no investigative arm existed in the Department of Justice. Action to create the agency was taken by the then Attorney General, Charles J. Bonaparte, who issued an order creating an investigative agency within the Department. On March 4, 1909, Attorney General Wickersham gave this agency a secure place and the dignity of the title. It was called the Bureau of Investigation. From then on until 1924 it had a number of directors, including Stanley W. Finch, A. Bruce Bielaski, William J. Flynn, and later William J. Burns, the well-known international detective.

The appointment of Mr. Burns became effective on August 18, 1921, under President Harding. A shakeup occurred in the Department of Justice, whereby J. Edgar Hoover, then 26 years of age, found himself transferred from his position as Special Assistant to the Attorney General to the position of Assistant Director of the FBI. He was placed on the Federal payroll at an annual salary of \$4,000.

On March 28, 1924, President Coolidge demanded and received the resignation of Attorney General Daugherty, and in his place appointed Harlan Fiske Stone. About 6 weeks later Mr. Burns resigned as Director of the FBI; and on the day after his resignation, the Attorney General named J. Edgar Hoover, then age 29, as Acting Director, on the recommendation of Herbert Hoover, who then was Secretary of Commerce.

J. Edgar Hoover advised the Attorney General that he would take the position "on condition that the Bureau must be divorced from politics and not be a catchall for political hacks—appointments must be made on merit; promotions would be made on proved ability, and the Bureau would be responsible only to the Attorney General." To this the Attorney General replied by saying "I wouldn't give it to you under any other condition."

It was under the guidance of Attorney General Stone that J. Edgar Hoover took command of the FBI, first as Acting Director, and 7 months later as Director. He became Director on December 10, 1924, and has remained so to the present day. This means that on December 10, 1962, J. Edgar Hoover will have served continuously as Director of the FBI for a period of 38 years.

The growth of the FBI has been phenomenal and necessary, in order to meet the problems which come within its constantly expanding jurisdiction. The latest figures indicate that the appropriation estimate for the FBI for the fiscal year 1962 was \$127,216,000, and that it had on the rolls, as of June 30, 1962, a total of 13,776 employees.

The Director of the FBI serves under the Attorney General, is not a presidential appointee, and does not require Senate confirmation. Legislative action with respect to the Bureau was limited mainly to appropriations, salary, and retirement and pension changes, and so



forth. It occurs to me that the importance of the agency, its growth, and its value to the law-enforcing agencies at all levels of Government would make it eminently desirable that the Director of the FBI be appointed by the President of the United States and that his appointment be confirmed by the Senate. For this reason, I introduce a bill which, in effect, states that as of the day following the date on which the present incumbent of the office of Director of the FBI ceases to serve as such, his successor shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 15 years; that he shall not be eligible for reappointment; and that he shall be compensated at the rate of \$22,000 a year. The same would apply to the Associate Director, except that his compensation would not be fixed by statute.

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

The bill (S. 3523) relating to the appointment of the Director and Associate Director of the Federal Bureau of Investigation, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the Judiciary.

#### REVENUE ACT OF 1962—AMENDMENTS

Mr. KERR submitted amendments, intended to be proposed by him to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

#### AMENDMENTS TO SECTION 19 OF H.R. 10650 WITHHOLDING ON INTEREST AND DIVIDENDS

Mr. KERR. Mr. President, among the amendments to H.R. 10650 which I have proposed are a number of proposals which if adopted would eliminate all significant overwithholding. If these amendments are adopted no one can conscientiously object to withholding on the ground of hardship to dividend or interest recipients.

The provisions for exemption certificates and quarterly refunds already are designed to protect persons who owe no tax from any withholding and those who would be overwithheld from any significant deprivation of funds. Nevertheless because of the fear which some persons still have that there may yet be hardship for the low bracket taxpayer or the aged person whose sole source of income is dividends and interest, I have proposed an amendment to extend the exemption from withholding on dividends and savings account interest to all persons under 65 whose income is \$5,000 and under and to all persons age 65 and over whose income is up to \$7,500. This exemption for people over age 65 would also apply to any individual whose spouse is over age 65, even though he is not.

Under this amendment, 11.3 million persons would be exempt from withholding altogether instead of 7.1 million under the House bill. Only about 300,000 persons would need to claim quarterly refunds instead of 1 million persons under the House bill. With the requirement that a taxpayer's income be over \$5,000, or over \$7,500 if over 65, and with the continued complete exemption for those over those limits who owe no tax, there can no longer be any question of hardship to a dividend or interest recipient. At the same time we can still take a sizable step toward collecting the billion dollars of taxes that are owed but are not being paid today, and for which there is no effective collection technique without withholding as its core.

But even for those few remaining cases of overwithholding, I have proposed amendments to make sure that quarterly refunding is as accurate in amount and as quick as practicable. I have first adopted the Treasury proposal to liberalize the refund allowance to permit an individual to take into account his itemized deductions. The House bill permits an individual to include only his standard deduction in computing the allowable amount of a quarterly refund, with the result that overwithholding can result if the individual's itemized deductions exceed the standard deduction. This amendment would permit prompt refunding of all significant overwithholding.

Second, a number of banks have suggested a procedure whereby delay in processing quarterly refunds could ordinarily be cut from 3 or 4 weeks to 3 or 4 days. Under this proposal, banks and savings and loan institutions would be permitted to pay quarterly refund claims and then be reimbursed by the Treasury generally within 3 to 4 days. The banks would only be required to check the mathematical accuracy of the claim and secure reasonable identification from the person presenting the claim. Thus, no one would need to wait for the refund to which he would be entitled.

Next, to make withholding less complicated for banks and dividend payers, I have proposed the Secretary of the Treasury's suggestion that exemption certificates remain effective until revoked, rather than the annual filing required by the House bill. This change would make the exemption system easier to administer by the paying institutions and would also reduce the number of forms which individuals would be required to file.

The remaining amendments introduce elements of flexibility into the withholding system by permitting the Treasury by regulations to make adjustments in withholding, such as certain additional exemptions and more frequent refunds, if it appears that nonreporting would not be significant by doing so and that administration would be improved.

#### SUMMARY OF HOUSE BILL

Section 19 of H.R. 10650, as passed by the House of Representatives, provides that a payer of dividends, interest, or patronage dividends is to withhold tax

on these payments at a rate of 20 percent. There is no requirement that the payer furnish the recipient with a receipt indicating how much it has withheld. Instead, the income tax return will contain a simple schedule for the taxpayer to figure the amount of tax withheld—for which he will be allowed a credit—and the total amount of interest or dividends which he must include in his income. On this schedule, the taxpayer will enter the actual amount of dividends and interest he received; he will then divide this amount by four; the sum of these two amounts will equal his total dividends and interest to be included in income and the one-fourth figure will represent the tax withheld for which he is allowed a credit on his tax return.

The bill contains several provisions for eliminating the impact of overwithholding:

#### 1. EXEMPTION CERTIFICATES

All individuals who expect that they will have no tax liability for the year will be able to file exemption certificates and thereby avoid withholding on their dividends and most of their interest. New exemption certificates must be filed each year. No exemptions will be permitted for corporate or U.S. bonds, other than Government savings bonds. Children under age 18 may file exemption certificates whether or not they expect tax liability and these certificates would not have to be renewed each year. Governments and tax-exempt organizations could be exempt on their bank account and savings bond interest, but not on their dividends.

#### 2. QUARTERLY REFUNDS FOR INDIVIDUALS

Married couples with less than \$10,000 of income and single persons with less than \$5,000 of income may claim refunds each quarter for overwithheld tax. The quarterly refunds would be limited to the individual's "refund allowance," which gives him credit for his personal exemptions, standard deduction, and retirement income credit to the extent they are not offset against other income he receives which is not subject to dividend and interest withholding. The quarterly refunds would be paid within 3 to 4 weeks. An individual who files a refund claim for the first quarter will automatically receive from the Internal Revenue Service partially completed claims for the second and third quarters.

#### 3. CREDITS AND REFUNDS FOR GOVERNMENTS, TAX-EXEMPT ORGANIZATIONS, AND CORPORATIONS

Governments and tax-exempt organizations will be permitted to offset amounts withheld on their dividends and interest against what they owe the Government for income and social security taxes they withheld from their employees' wages. Similarly, corporations in general will be permitted to offset the taxes withheld on their dividend and interest income against what they owe the Government for taxes they withheld on their own dividend and interest payments. Corporations and tax-exempt entities will be permitted quarterly refunds for any excess remaining after the offset credits.



The bill permits withholding agents to retain the taxes they withhold on dividends and interest until the end of the month following the quarter in which the dividends or interest are paid. The withholding provisions would be effective January 1, 1963.

DETAILED SUMMARY OF AMENDMENTS  
1. EXEMPTIONS BASED UPON INCOME

In order to eliminate overwithholding on low-income individuals, exemptions would be permitted for taxable individuals under age 65 with up to \$5,000 of income and for taxable individuals age 65 and over (or whose spouse is age 65 or over) with up to \$7,500 of income.

2. USE OF ITEMIZED DEDUCTIONS TO COMPUTE REFUND ALLOWANCE

The refund allowance for quarterly refunds would be liberalized to permit an individual to take into account his itemized deductions. The House bill permits an individual to include only his standard deduction in computing the allowable amount of a quarterly refund, with the result that overwithholding can result if the individual's itemized deductions exceed the standard deduction. This would permit prompt refunding of all significant overwithholding.

3. QUICK QUARTERLY REFUNDS THROUGH BANKS

In order to eliminate any delay in the making of quarterly refunds, banks and savings institutions would be permitted to pay quarterly refund claims and then be reimbursed by the Treasury generally within 3 to 4 days. The banks would only be required to check the mathematical accuracy of the claim and secure reasonable identification from the person presenting the claim.

4. EXEMPTION CERTIFICATES GOOD UNTIL REVOKED

The provision in the House bill requiring individuals to file new exemption certificates each year would be changed to permit exemption certificates to remain in effect until revoked by the filer. An individual would be required to revoke his exemption certificate if he becomes taxable. This change would make the exemption system easier to administer by the paying institutions and would also reduce the number of forms which nontaxable individuals would be required to file.

5. EXEMPTIONS FOR GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS

Governments and tax-exempt organizations would be granted exemptions from withholding on their dividend income. Under the House bill, nontaxable individuals, but not governments and tax-exempt organizations, would be exempt from withholding on dividends. This extension of the exemption system would cover foreign, State, and local governments, as well as tax-exempt organizations, such as colleges and universities, churches, and pension trusts.

6. INTEREST ON ACCUMULATED POLICY DIVIDENDS

The House bill would be changed so as not to permit individuals to file exemption certificates with respect to interest on dividend accumulations on unmaturing life insurance policies. This

will ease the administrative problems of the insurance companies. This interest would be subject to withholding.

7. DIVIDENDS IN STOCK

Withholding would be eliminated on dividends paid by a corporation in the stock of another corporation.

8. FOURTH QUARTER REFUND CLAIMS FOR CERTAIN CORPORATIONS

A corporation would be permitted to claim a quarterly refund for amounts withheld on its dividends and interest during the fourth quarter of its taxable year, if the refund is expected to exceed the corporation's tax liability on its final return. Under the House bill, a corporation would be permitted to file quarterly refunds for the first three quarters, but would be required to claim the refund for the fourth quarter on its final tax return for the year. Some corporations, for instance some railroads, with little or no tax liability may not be able to file their final tax returns until many months after the close of the year and, consequently, under the House bill, would be delayed in obtaining a refund of amounts withheld during the fourth quarter.

9. REGULATORY AUTHORITY TO EXEMPT COUPON BOND INTEREST

The Treasury would be given the power, by regulations, to exempt interest on corporate and U.S. bonds—other than Government savings bonds—from withholding. By giving him discretion to remove withholding in this area, the Secretary of the Treasury would be able to counter any significant adverse market effects if they arise.

10. EXEMPTION CERTIFICATES FOR TRUST BENEFICIARIES

The Treasury would be given the discretion to permit trusts and nominees to file exemption certificates on behalf of their nontaxable beneficiaries where this is feasible. The House bill would not permit any exemptions with respect to dividends and interest paid to trusts and with respect to dividends paid to nominees. However, there may be certain situations—for example, a simple trust with only nontaxable beneficiaries—where exemptions would be practical and the Treasury should have general authority under which appropriate cases could be dealt with.

11. REGULATORY AUTHORITY TO EXEMPT CORPORATIONS

The Treasury would be permitted, by regulations, to exempt corporations from withholding.

12. AUTHORITY FOR MORE FREQUENT REFUNDS TO GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS

Governments and tax-exempt organizations would be permitted monthly—or, if the Internal Revenue Service finds it administratively practical, even quicker—refunds of the taxes withheld on their income. Under the House bill, they would be allowed only quarterly refunds. Although governments and tax-exempt organizations would be exempt on their dividend income, it is not possible to provide exemptions for their bond interest, because of the accrued interest problem.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1963—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 10904) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

PRINTING OF REVIEW OF REPORT ON KEY WEST HARBOR, FLA. (S. DOC. NO. 106)

Mr. PELL. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 1, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of the report on Key West Harbor, Fla., requested by a resolution of the Committee on Public Works. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

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

PRINTING OF REVIEW OF REPORT ON WATER QUALITY STUDY, ARKANSAS-RED RIVER BASINS (S. DOC. NO. 105)

Mr. PELL. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated May 18, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on an interim report on the water quality study, Arkansas-Red River Basins, 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 VICE PRESIDENT. Without objection, it is so ordered.

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

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

By Mr. MORSE:

Resolution of the Assembly, California Legislature, 1962 (first extraordinary) session, relating to joint planning and development along California-Mexican border.

By Mr. WILEY:

Excerpts from address prepared for delivery by him over Wisconsin radio stations, July 7, 1962.

### WILL CONGRESS PUT MONEY IN YOUR POCKET?

Mr. DIRKSEN. Mr. President, in the July issue of the *Writer's Digest* appears an interesting article under the caption "Will Congress Put Money in Your Pocket?" The article contains very pertinent comments on your copyright laws and also on postal rates, and I ask unanimous consent that it be printed in the RECORD.

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

#### WILL CONGRESS PUT MONEY IN YOUR POCKET?

(By Larston D. Farrar)

"Let's face it, writers are going to have to get mixed up in politics, in one way or another, whether they want to or not, if they are going to be able to survive in this crazy-quilt economy."

The speaker was wholesome-appearing, youngish, sandy-haired Congressman JOHN V. LINDSAY, Republican of New York, who, at 40, has had a successful career as a trial lawyer, after graduation from the Yale Law School and "some unsuccessful attempts at freelance writing."

Mr. LINDSAY, who represents New York's 17th Congressional District, which runs from the Bowery to the apartment canyons above Central Park West, was discussing his bill, H.R. 9524, now gathering cobwebs in the House Committee on Ways and Means. If enacted, it would give the first real break to working freelance writers.

"Authors should be accorded the benefits of capital gains tax treatment for their creations in the event they sell their rights, as my bill provides," he pointed out earnestly. "This is a benefit given to the owner of a patent in order to induce and stimulate inventive creativity. I believe that we should have comparable devices to stimulate literary, musical, and artistic compositions. Such legislation would serve an equally significant purpose with respect to the living theater and the dramatic and musical arts in general, which are among our foremost national assets."

The Lindsay bill calls for the repeal of the exclusions from capital assets of copyrights, literary, musical, or artistic compositions. It further provides that that transfer of copyrights or composition rights in the hands of the creator shall be considered a sale or exchange of a capital asset. Under present law, such sales are taxed as ordinary income.

Each person's income taxes—even on the same gross income—naturally are different, since each person has different expenses, different deductions (varying numbers of children, for example), and because there are other varying factors. But by and large, income taxes take a minimum of one-fifth of a person's net income (after deduction of expenses). If the Lindsay bill were to become law, a free-lance writer with a net income of \$10,000 would pay roughly \$1,100 in taxes instead of the \$2,640 or more he probably has to pay today. Everyone who has even a curbstone knowledge of taxes realizes that taxation on a capital gains basis represents a great savings over taxation on a straight income basis. The significance of such a change—if it were brought about—would be noticeable in the home of every struggling free-lancer.

This is why Congressman LINDSAY underscored the fact that writers must "get mixed up in politics." He has pointed out that, in order to get his bill enacted, writers (and members of their families, plus friends) should get busy contacting their individual Congressmen, in person, by letter, by telephone calls, or otherwise.

Frankly, Mr. LINDSAY understands that his bill has scant chance of being reported out of the Ways and Means Committee this year. Representative WILBUR D. MILLS, Democrat, of Arkansas, chairman of the committee, has his hands full right now with the White House's tariff and trade measure. Only a few weeks ago, after a year of struggle, he had been able to report to the House a controversial tax measure which had White House backing. The odds are anything but bright that Mr. MILLS will start holding hearings on any new tax legislation for the remainder of this session.

However, if he is reelected, Mr. LINDSAY will reintroduce his bill in the upcoming 88th Congress, and he knows that any activity by writers among their legislators may pay off later, even if it does not cause them to hit the jackpot this year. Even if the House, by some fluke of nature, were to pass the Lindsay bill this year, it still would be logjammed in the Senate Committee on Finance, which is struggling with the controversial tax bill passed by the House.

#### H. R. 10

Another bill whose passage will be beneficial to freelancers in H. R. 10, the Self-Employed Individuals Act of 1961, which has been on the Senate Calendar since September 13, 1961 (87th Cong., 1st sess.).

If enacted, H. R. 10 would allow a writer (or any other professional or self-employed person who is more than 10 percent owner) to contribute to a retirement plan 10 percent of his earned income, or \$2,500, whichever is the lesser. Under this bill you could deduct the full amount contributed up to \$1,000 and 50 percent of the amount over \$1,000 which may be contributed. Maximum deduction would be \$1,750. This would represent a great incentive to individually self-employed persons to build their own retirement income, to augment their social security in old age. Corporate officials and employees long have enjoyed the benefits of tax help similar to that which would be accorded to small businessmen and self-employed persons under H. R. 10, but this fact merely proves again that writers (and others who are self-employed) are quite late in realizing that if they are going to maintain a parity with other groups, they must become more knowledgeable economically and more active politically.

H. R. 10 was passed by the House of Representatives in the first session of this 87th Congress and by the Senate Committee on Finance, which reported it only a few days before the Congress adjourned last fall. In the process of studying it, the Senate committee made some changes in the House-passed legislation; which means that, if the Senate passes the revised bill, the two conflicting versions must be reconciled in a conference committee. Representatives from the House and Senate could meet and iron out the differences, then make a conference report on which both Houses of Congress again must act before the final version becomes law. However, if the House accepts the Senate version then it could immediately be sent to the White House for signature.

Actually, since Senator EVERETT DIRKSEN, Republican of Illinois, the minority leader of the Senate, endorsed the Senate Finance Committee version of the bill, passage has been considered a foregone conclusion, if it is brought up for action by the Senate leadership. The rub is that a long time has elapsed since it went on the Senate Calendar, and every time adjournment becomes a bit closer, the chances of Senate passage become less likely.

#### MAILING MANUSCRIPTS

There are others in the country—besides writers—who have a difficult time keeping up with what's going on, in the way of new rules, or the effects of actions in Washington.

In 1958, Congress passed a new postal rate bill. Shortly after that, in the Postal Manual, the U.S. Post Office Department printed Postal Rule 135.13, relating to the rates that should be charged for educational materials. (Under the provisions of section 135.214f, Postal Manual, handwritten or type-written manuscripts for books, periodical articles and music may be mailed at the rate of 9 cents for the first pound and 5 cents for each additional pound or fraction provided no nonpermissible writing is enclosed and the cover or wrapper is marked "Educational Materials." When a letter of transmittal or instructions is enclosed with manuscripts, additional postage at the first-class rate of 4 cents an ounce or fraction must be paid thereon. Otherwise the entire mailing piece is subject to first-class postage.) Yet, hundreds, if not thousands, of writers trying to mail manuscripts under the educational materials rate have been thwarted by local postmasters who were not aware of the changes Congress had wrought in the 1958 postal bill.

Edwin A. Riley, Director of the Classification and Special Services Division, U.S. Post Office Department, conceded in an interview here that he has encountered occasionally such postmasters, over the years, and that his standard operating procedure has been to point out to them that they read sections 135.13 and 135.214f. He said that once a postmaster has had his attention drawn to these sections, it is extremely unlikely that he will ignore them.

"The problem sometimes is not so simple as some would have us believe," Mr. Riley declared. "We have encountered instances of writers—or supposed writers—trying to mail old clothing, or other materials hardly classifiable as 'educational materials' under the applicable provisions of the Postal Manual. Obviously, to be able to take advantage of the low rates which Congress specifically provided for writers in the 1958 bill, a writer should be quite certain that he is obeying the provisions of the law and is adhering to the regulations himself."

Mr. Riley said that any writer, observing the rules, who runs into difficulty with local postmasters who 4 years later still have not learned the laws under which they are operating, should notify the Post Office Department, Washington, D.C., immediately, specifically outlining the complaint. He assures one and all that action will be taken by long distance telephone to bring the postmaster into line.

#### COPYRIGHT REVISION

One of the blessings of living in a pluralistic society, where there are many and varied minds at work in many areas, may be that writers who do not even know people are trying to help them may be enjoying the results of the labors of more thoughtful and aware men.

Few writers realize, for example, that copyright experts in the Library of Congress have been working for some years on a monumental report entitled "Copyright Law Revision," which was transmitted to the Congress in the 1st session of this 87th Congress, and that one of these days this report may become the basis of historic debates in Congress and of a valuable new law for writers.

Before that happens, technical experts in the Library of Congress must frame a series of laws, embodying in legal form the changes for which the report calls.

Meantime, in order to protect the rights of writers while this new legislation is being readied, Representative EMANUEL CELLER, Democrat, of New York, who is chairman of the House Committee on the Judiciary, introduced House Joint Resolution 627, which would have the effect of preserving the status quo on copyright ownership for another 5½ years, or until Congress can study and enact the reforms recommended.



Abraham Kaminstein, Register of Copyrights, recently went before the House Committee on the Judiciary to endorse the idea of House Joint Resolution 627, but also to point out that it should be revised in two important respects. First, he wants the 5½-year protection cut, for he hates to think that Congress will take that long to revise the present copyright laws. He is fearful, in other words, that if there is that much delay, the heat will be taken off Congress for reforms and the benefits of the study may be dissipated. Second, he feels that Mr. CELLER's stopgap bill should be clarified in order more fully to protect writers (as opposed to publishers or others who own copyright, or may acquire them), so as to assure writers that they will get at least a share of earnings from royalties or sales of copyrights during the 5½-year period.

In any case, if there are freelance writers who favor House Joint Resolution 627, they should make it clear, to their own Congressmen or to Mr. CELLER, that they favor a few changes in the bill in order to make it more meaningful, from the standpoint of getting faster action in the future on substantive copyright law revision.

The monumental study, "Copyright Law Revision," runs 160 pages, and has been printed as a document by and for the use of the House Committee on the Judiciary. If you wish a copy for study, it may be obtained for 45 cents from the U.S. Superintendent of Documents, Government Printing Office, Washington, D.C.

A writer has a responsibility, both to himself and to others of his calling, to be informed about legislation and Government rulings which affect his financial and professional standing. H.R. 9524, H.R. 10, Postal Rulings 135.13 and 135.214f, House Joint Resolution 627—on all of these a writer should voice his opinions. Congressman LINDSAY, when speaking in defense of H.R. 9524, made a statement which sums up the situation: "We all know that Congressmen are beset by pressures on every hand," he asserted. "The groups that get tax concessions, or other benefits, usually are made up of people who are not afraid to 'get their feet wet' in politics. If writers want benefits, they must get busy and let their influence be felt in the halls of the people."

#### FEDERAL PAVILION AT NEW YORK WORLD'S FAIR

Mr. JAVITS. Mr. President, we all know that there is a controversy going on between the two Houses of Congress on appropriation bills. This is most unfortunate, and it is time the people took a hand in it.

One of the most unfortunate consequences of the controversy is the jeopardy to the construction of the Federal pavilion at the New York World's Fair, which is involved in the legislative logjam, and which is not helped by the extension resolution of appropriations for Government departments which we have adopted.

On March 20 the House approved a \$17 million appropriation to begin work on the U.S. pavilion at the New York World's Fair. On April 16 the Senate approved a \$15 million appropriation. Because of the stalemate which exists, plans for building a U.S. pavilion have been at a standstill.

Mr. President, why is this situation so serious? In the first place, it is only 20 months before the opening of the fair, and the Soviet Union, from the reports which I have just obtained, and which

is the reason for my making this report to the Senate, seems to be getting a big head start for construction of its pavilion.

I am informed that an architectural competition for the design of the U.S.S.R. building has been completed, that a winning design has been selected, and that a committee has undertaken the task of planning the contents of the building. The Soviet Union has formally asked the fair for permission to exceed the 80-foot ceiling on height in certain respects, indicating that they are planning to build a skyscraper-type exhibit, one of the tallest national exhibits at the fair.

But because we cannot get our own planning for a U.S. pavilion off the ground, we are virtually giving the Soviet Union a head start in preparing its exhibit to be seen by millions of world fair visitors from all over the world.

The Commerce Department and the General Services Administration are doing everything they can, under the law, in the way of preliminary planning for a U.S. exhibit. They are even using some small private donations for some essential planning. But they can go only so far until Congress itself acts on an appropriation.

There may be some very red faces when the World's Fair opens in April 1964, with a Soviet pavilion ready for visitors and a U.S. pavilion still under construction. It will not be the Commerce Department's fault. It will not be GSA's fault. It will not be the fault of construction workers or of the fair's planners. The responsibility will rest with us here in the Congress, and with the unfortunate and embarrassing differences now pending between these two bodies on appropriations.

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

Mr. JAVITS. I ask unanimous consent that I may proceed for 2 additional minutes.

The VICE PRESIDENT. Without objection, the Senator from New York may proceed for 2 additional minutes.

Mr. JAVITS. This is just one example of the consequences caused by the current logjam, and probably one of the worst, as it is not at all helped by the continuing resolution on appropriations. There must be others, also serious, which make it imperative that this dispute be ended. In my judgment, it is unlikely to be ended unless there is some expression by the people themselves that they will not tolerate such a situation.

I have the greatest love and respect for the Members of this body who function on the Appropriations Committee. I say this in the full light of that fact, because I feel very much the public interest is at stake now, and that it must be served, and that unless the people express themselves, we are most likely to suffer other and even more damaging consequences.

#### THE ECONOMY OF NEW YORK STATE

Mr. JAVITS. Mr. President, I call attention to the highly significant "debate by mail" now being carried on between

the Governors of New York and California, centering on the economic progress made by these States. We feel ours is a forward-looking, private-enterprise-oriented Republican administration, and that this is a comparison of economic progress between New York and California which can be challenging to the country. We feel that New York is winning the economic race through a program of hardheaded fiscal responsibility, notwithstanding the fact that we have suffered in our economy from declining defense orders, while California is falling behind, even though it has a solicitous partner, water carrier, and cheering section in a Democratic administration in Washington, and has been profiting greatly from defense contracts. We still think that New York State will win the economic race, and attribute that prospect to the climate conducive to private enterprise and initiative which characterizes the State of New York today.

Mr. President, I ask unanimous consent to have inserted in the RECORD an article from the New York Times of July 9, giving some highlights of the New York-California debate.

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

#### ROCKEFELLER DEBATES GOVERNOR BROWN BY MAIL

ALBANY, July 8.—The Governors of the Nation's two most populous States are debating by mail over which has the more favorable economic climate.

Governor Rockefeller of New York, a Republican, and Gov. Edmund G. Brown of California, a Democrat, disagree sharply about, among other things, which State gained more new factories since the beginning of 1961, which State is better prepared for growth in space technology, which State government is in better fiscal condition, and which State turns out more college graduates.

The statistical sparring began when Governor Rockefeller compared conditions in New York and California on June 14 before the New York Republican State Committee in New York City. Governor Brown quickly objected in a long letter.

Governor Rockefeller replied in a letter released by his office today. It makes the following points:

New York, which Governor Rockefeller said, had 521 new factories built since the beginning of 1961—compared to California's 159—has an accurate record of new plants.

"I'll be delighted to send you a complete list by name and location for the entire year 1961 if this should prove to be of interest," Mr. Rockefeller wrote. Governor Brown had expressed doubt that either State possessed accurate records of new plants.

New York's "more mature economy" may be healthier, as indicated by its lower insured unemployment rate in every month of 1961. Mr. Rockefeller said the rate was 5.7 percent for New York, compared to 8.4 for California, and was lower in New York for 3 of the first 4 months of 1962.

Governor Brown had written that employment in California had increased 11.2 percent between 1958 and 1962 and in New York by only 3.4 percent.

Per capita income, and the increase in per capita income, were both higher in New York than in California, Mr. Rockefeller said in his letter. New York's per capita income was \$2,839 in 1961 and California's was \$2,784; New York's increase from 1958 through 1961 was 10.7 percent, California's 10.2.

While California went into space technology early and got a lion's share of Federal defense contracts, New York isn't doing badly in producing "20 percent of total national output of electronic equipment and components compared with your 11 percent.

New York has 345,607 persons enrolled for degree credit in 4-year colleges and California has 231,255. And 50,205 persons earned degrees in New York in 1960, compared to 34,150 in California.

Governor Brown had said California had 448,000 college and university students while New York had 350,000. Governor Rockefeller said these figures included junior college enrollment—216,740 for California and 5,601 for New York.

Governor Rockefeller agreed that California spent more on education than New York. But, he continued, New York State aid to public schools is higher—based on the number of pupils—\$258 for each pupil, compared to California's \$189.

As to taxes, Governor Rockefeller said: "I also agree that New York State taxes have increased more than California's—but they are still lower than California's as related to personal income, New York's being 4.5 percent of personal income, while California's are 5.16 percent."

On budget balancing, Governor Rockefeller said, California must use reserve funds and bond money to make its current revenues equal its outgo.

Governor Brown had said he had had four consecutive balanced budgets.

The two Governors even disagree on when California will overtake New York to become the most populous State in the Nation. Governor Brown says this will happen next December; Governor Rockefeller says a year from next month.

#### THE ECONOMICS OF DISARMAMENT

Mr. JAVITS. Mr. President, the serious determination of the United States to bring about a disarmament agreement with the Soviet Union is emphasized by the studies currently being conducted by the U.S. Arms Control and Disarmament Agency. These include studies of the economic arrangements which would be necessary in a disarmed America. We do not yet have a full-scale research plan of economic redevelopment for a peacetime economy, but progress is being made in finding answers to this enormous problem. The scope of the work undertaken by the Economic Bureau of the Agency is described in a letter I received in response to my request for information.

I ask unanimous consent to have printed in the RECORD the letter I received from George Bunn, General Counsel of the U.S. Arms Control and Disarmament Agency, dated June 21, 1962.

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

U.S. ARMS CONTROL  
AND DISARMAMENT AGENCY,  
Washington, June 21, 1962.

DEAR SENATOR JAVITS: This letter is in reply to a recent telephonic request to my office by Mr. Allen Lesser for information about this Agency's economic bureau and the work it has performed to date.

The Agency acquired a senior economic officer approximately 1 month after its formal establishment last September. When the Agency adopted its present organizational structure early in December, it in-

cluded an economic bureau as one of its four main units. At present the economic bureau consists of the senior economist referred to above, an additional economist who joined the staff in May, and one secretary. It is intended that, contingent on congressional approval of our fiscal year 1963 appropriation request, several additional professional positions will be established in this bureau in the coming months.

The work of the economic bureau has concentrated in the first instance on developing a general picture of the economic problems and opportunities which we would face in the event of general and complete disarmament. In this connection we found the Benoit Panel Report, which had been requested by Mr. McCloy before the establishment of the Agency and which was submitted to us in October 1961, most enlightening and helpful. As you know, we published this report in January and, to date, some 14,000 copies have been distributed in the United States and abroad. Following receipt of the Benoit Panel Report, we conducted our own large-scale examination of the economic and social consequences of disarmament in the United States. This resulted in the submission of a substantial amount of information to the United Nations in December 1961 and in the preparation of an integrated study this spring. The latter is now being printed by the Government Printing Office and will go on sale later this month. I am pleased to enclose for your information a photo-offset version of this "country study."

The volume of information which we supplied to the United Nations last December made a substantial contribution to the worldwide report on the potential economic and social consequences of general and complete disarmament. The U.N. released much of this information this spring; in its final form, the U.N. report will also contain our country study and similar studies by other countries.

We believe that these efforts directed toward exploration of the general contours of this aspect of disarmament constituted essential first steps which have already yielded significant benefits in terms of official and public understanding of the subject.

It might interest you to know that one of the results of the release of these economic reports has been the appearance of requests for officers of this Agency to discuss this subject in public addresses and seminars conducted by private organizations. Mr. Foster, for example, addressed the business council on the subject of disarmament on May 11. Occasions such as these are ideally suited for stressing the importance of undertaking advance study by community, industry, and labor leaders of the problems of conversion which they may have to face under disarmament so that they will be better prepared when the time comes. We also have been analyzing the relevance which enlightened and imaginative programs to deal with our current economic problems of reducing economic imbalances and promoting economic growth may have to a disarmament situation in the future.

It is clear that whatever lessons we learn now, whatever progress we can achieve at this time, will help us significantly when we have to deal with the economic impact of disarmament. We foresee increasing opportunities for contacts with the public on these matters and increasing exchange of ideas and information.

With completion of the general work on the economics of disarmament, our economic bureau is now moving into a phase of more detailed examination of this subject. Thus, we have embarked on a study, which will undoubtedly extend over a period of time, of the economic impact of stage I of the

outline of a proposed disarmament agreement which we presented to the Geneva Conference on April 18. The results of this examination should prove helpful in the development of programs to offset any adverse economic effects. We are also taking a very keen interest in specific conversion situations resulting from changes in the current defense program and have been in close touch with the economic adjustment adviser of the Department of Defense in that connection.

Finally, our economic bureau is concerning itself with a variety of questions related to the disarmament negotiations themselves, such as the possible use of controls on military expenditures as a disarmament measure.

I hope that the foregoing will supply the information requested by your staff. If we can be of further assistance to you, please feel free to let me know.

Sincerely yours,

GEORGE BUNN,  
General Counsel.

#### PRAYER IN PUBLIC SCHOOLS

Mr. LAUSCHE. Mr. President, expressions of Ohioans relative to the recent Supreme Court decision concerning prayer in our public schools have revealed deep anxiety and shock.

Recently, I received a letter containing an article composed by Mrs. Cornelius W. DeForest of 3731 Earls Court View, Cincinnati, Ohio, written while the Court had the matter under consideration and subsequently revised after the Court had handed down its decision. The article, "The Dread Decision—Prayer in Our Schools," in my opinion is extremely well written, reveals deep and careful meditation, and is indicative of the feelings and fears of a vast majority of American citizens.

Mr. President, the statement by Mrs. DeForest is so forceful and sound that I feel it is worthy of being included in the records of the Congress, and I, therefore, ask unanimous consent that it be printed in the body of the RECORD.

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

#### THE DREAD DECISION—PRAYER IN OUR SCHOOLS

(By Mrs. Cornelius W. DeForest)

Our schools are the fountainhead of our national life. The source that sustains them is deeply imbedded in our early history. For where the village church stood, next to it was the little red schoolhouse. The early settlers were a distinguished people destined by providence to perform a service for the evolutionary advancement of humanity greater than some of them may have fully perceived at the time with our limited human vision. Restricted by their pioneer life, wresting their homes and a livelihood out of a primeval forest, with the vigor of their faith and endurance and in consonance with their cultural background which they wished to transmit to their children and succeeding generations, they founded 10 universities even in the Colonial period, before we became a nation. These universities have always been a feature of our national character, of surpassing importance. The colleges were denominational, supported in large measure by the church organizations that founded them, and the tuitions of students, many of whom worked their way through college. The presidents of all were clergymen, and this tradition persisted until



the beginning of the 20th century. The colleges were Harvard, 1636; William and Mary, 1693; Yale University, 1701; Princeton University, 1746; Washington and Lee University, 1749; University of Pennsylvania, 1751; Columbia University, 1754; Brown University, 1764; Rutgers College, 1766; and Dartmouth, 1770.

Other denominational colleges were founded later during the early history of our country, following our incorporation as a nation, always, until recently, with a Protestant clergyman as president. Religious values were of supreme importance. Harvard (as were the others) was founded to instill "Godliness" and there was provided a department for the Indians. The Bible was translated into the Indian language and Dartmouth was started solely as a charity school for the education of the Indian. Acquaintance with the Bible was basic.

As the population grew with the pressure of immigration, and the Thirteen Original States were duplicated across the continent as far west as the Pacific coast, most recently including Hawaii and Alaska, the educational facilities were of necessity expanded. Out of the parish school grew as branches of the tree of life the community schools which presently became the public school system, State and locally supported. These have attempted to adapt themselves to the local educational needs of the average potential citizen according to his ability to accept instruction. There were students adapted to college preparatory work and those needing a foundational training for the pursuit of vocations as artisans and other careers not requiring a collegiate education.

The reliance upon spiritual values inherent in the little red schoolhouse next to the church was carried over automatically to the public school side by side with allegiance to the Stars and Stripes. Interdenominational differences were submerged in a common faith, the American faith in a Supreme Intelligence and its creative beneficent power to sustain and direct individual and national destiny, a power as potent and undeviating as electricity. "In God We Trust" when engraved on our coins was placed there without a challenge. While there were sporadic instances of atheism even in George Washington's time, our country has been homogeneous in its essential faith in the Deity in a broader sense than an idoloc personal image inculcated in some parish schools today. Without faith in an all-providing beneficent intelligence, in the responsive coordination of spiritual factors in the souls of men, with the basic integrity implicit in them, civilization as such may well disintegrate.

Ideological conceptions rely upon the source of these conceptions. No physical and physiological or other scientific knowledge can penetrate beyond human intellectual power to grasp such knowledge. For what are our scientists probing? The imponderable "allness" under the guidance of which they and humanity at large may progress. An educational system that ignores the processes of the soul is lacking in its essential value and purpose. To inculcate these values, the reverence for God, is the duty of our schools and colleges without infringement upon denominational prerogatives and the constitutional provision of the separation of church and state, by mutual agreement of our spiritual leaders of all faiths. Elective courses in philosophy and religion are available in our universities. To forbid the reading of the Scriptures in our schools, an audible prayer, reference to the Godhead in our classrooms is to commit our children during their preparatory education to a stifling vacuum instead of providing for their growth in the warm, nat-

ural, spiritual atmosphere of the Christian faith that has given our country strength and the will to survive and to be the champion of freedom in all its relationships. This coordinates with the inspirational training of our children in our churches and the American home.

To restrict reading of the Scriptures to the Old Testament is to deny the majority of our children who are of the Christian tradition their rightful heritage as potential citizens of a Christian country. To suppress the singing of carols at Christmas and anthems at Easter is evidence of the secularization of our educational system.

Tolerance of minority opinion does not require the elimination of the faith of the Christian majority in part or in whole from our tax-supported schools and colleges. Dissident minorities are permitted to establish schools in keeping with their own convictions, but not to effect a denial of the freedom of the majority, a position they themselves may later disavow, but which in operation, could lead to the arrogant tyranny of an organized minority, which, if applied in this instance, could ultimately result in the moral deterioration of our Nation through the inadequate training of our youth. We do not permit parents to deprive their children of their schooling below certain age limits, after which they may be withdrawn from school. Are children of atheistic backgrounds to be deprived in their school association of their opportunity to become aware of their Christian heritage, not by indoctrination but by merely hearing passages from the Scriptures reverently read without comment? This would appear to be intelligently informative for a rounded educational outlook.

It has been said that a nation without faith is vulnerable and can be conquered. Let us not be deluded by specious considerations to deny it to succeeding generations and so revert as a nation into a state of hedonism, from which humanity through centuries of suffering and strife has gradually emerged. As a vital core of the civilized world today let us accept the spiritual challenge that confronts us as a people and hold firmly to our traditions.

Our constitutional provision for the separation of church and state applies in an organizational denominational sense only to prevent the domination of any one faith; and at the same time it safeguards in fact the freedom of religion provided in our free society. For it was the ecclesiastical union with the state in England and France that led to the emigration of the Puritans and the Pilgrims and Huguenots and others from Holland and elsewhere to escape persecution.

The constitutional provision for the separation of church and state does not exclude, however, the underlying spiritual verities of the Christian faith from our governmental and educational agencies; in fact until the present crisis, we have supinely taken it for granted. For the reliance upon the Deity may not be relinquished without peril. And reverence for God must be implanted early in childhood.

Have our Supreme Court Justices (with one notable exception), usually so adept in discerning legal technicalities, failed to make a distinction between Christianity and "church-inanity," faith in the inclusive power of divine love and guidance versus denominationalism and factionalism. It is this common ground of mutual understanding which Emerson calls the Over Soul that makes us one nation indivisible under God. The implications of the decision penetrate the intimacy of every public school classroom of our land where character is molded. The threat to our national well being is subtle and sinister. It may be well for

American Christians to review this question in its entirety, intelligently and prayerfully, and take immediate remedial action.

Our government executives, legislators, and judges take an oath of office with their hands upon the Holy Bible, both testaments. At our present pinnacle of national prosperity, let us meet this crisis confronting our Nation, a long and arduous task, as it presently appears, unparalleled in our history, with determination, dedication, strength, and fortitude under the leadership of our chosen representatives in the Congress. They are our first line of defense in restoring our national spiritual heritage to our children and our children's children under the protecting folds of Old Glory.

#### ELEVENTH HOUR SPENDING ORGIES

Mr. LAUSCHE. Mr. President, I am pleased to learn that the General Accounting Office is giving cold, hard scrutiny to the practice of Federal departments and agencies engaging in 11th hour spending orgies in order to beat fiscal year deadlines. The GAO is to be commended for this action in trying to discourage one of the most flagrant practices of fiscal irresponsibility in Government.

Mr. President, during my five terms as Governor of Ohio, the various departments and agencies received warnings from my office not to engage in practices to needlessly spend or encumber any balances that might accrue at the expiration of a fiscal period in order that they might show a depleted budget to the legislature and then ask for an increase or attempt to justify a nonreduction in a forthcoming appropriation bill.

Mr. President, this is one of the oldest "tricks in the trade," and I regret to say often successful in the attempts to stave off possible reductions in Federal spending. Examples of these acts of imprudence are enumerated in a newspaper article, which appeared in the Columbus, Ohio, Citizen-Journal on July 6.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

Biscuits in astronomical numbers are piling up at Columbus General Depot and causing some raised eyebrows at Washington.

A Washington news dispatch said the General Accounting Office is giving "cold, hard scrutiny" to some frantic fiscal spending over the last few days of June to beat the fiscal year deadline.

New fiscal year started Monday. Any department with funds it hadn't spent must return them to the U.S. Treasury. Supply officers were busy day and night signing contracts in the last part of June.

Defense Supply Agency said orders were whipped through "so fast we can't keep track of them."

Among the purchases were 7 million survival biscuits for civil defense.

Kroger Co. bakery officials here said they had received \$8.5 million in contracts to bake biscuits for the Government. They started baking on this gigantic order last February and are still going strong.

Columbus General Depot, where 2.5 million pounds of the survival biscuits will be stored

pending delivery to fallout shelters in the area, said 482,000 pounds of the biscuits already had been delivered to the depot.

Col. Gordon Gill, deputy commander, said this represented some 10 truckloads. They are vacuum packed and "will keep indefinitely," Colonel Gill said.

Among other purchases being eyed coldly by GAO are \$2 million for sulfa tablets, \$8 million for sanitation kits, \$2.9 million in Marine greens, and \$2.5 million in Army cotton coats.

GAO has been particularly suspicious of last-minute clothing orders, which do not take much time to execute. GAO thinks the services already have more clothing than they need.

GAO gave this as the example of the type of thing they are looking for: An order for \$48,600 worth of blankets, signed at the end of June 1961, was canceled almost immediately "because they were not needed." But the money was not returned to the Treasury. It was credited to the Department's funds for the next year and spent for other things.

Another example: Eighth Army in Korea went ahead with the purchase of \$5 million in unneeded trucks because there would have been not time to reuse these funds if the order had been canceled.

Still another: Pacific Service Fleet at San Francisco spent \$27,111 on June 30, 1961, in the name of the repair ship *Luzon*. Twenty-four hours later the Navy mothballed the *Luzon*. The Navy's Atlantic Fleet air arm spent \$550 June 30, 1961, for 800 reams of typing paper for the carrier *Bozer*. The *Bozer* sailed a few days later, leaving the 800 reams behind, but with a surplus of 325 reams aboard.

GAO said the *Bozer* spent \$11,546 the last day of the 1961 fiscal year, but failed to order urgently needed parts because they would have taken too much time.

All this is reminiscent of what most servicemen remember from their own experiences in World War II.

On one Liberty ship returning troops from Manila after the war, there were hundreds of C rations remaining in stock.

For some reason, they were under no circumstances to be taken to the States. So they were tossed far out over the side while passengers shot at them with small arms.

Most servicemen recall actually seeing waste on a grand scale—trucks, tanks, even planes, left to rot and rust away. It was easily explained by the exigencies of war and the danger of not having enough when and where it was needed.

GAO has found evidence that last-minute spending of funds is a pattern. Third Army Headquarters put it in writing: spend 99.9 percent of all appropriated funds before the deadline. Usually, the order to spend it up is passed by word of mouth.

#### PADRE ISLAND PARK NEED URGED BY WOODSBORO RECORD

Mr. YARBOROUGH. Mr. President, in an editorial on June 18, the Woodsboro, Tex., Record, set forth a strong and persuasive case for enactment of a bill for creating a national seashore recreation area on Padre Island.

Such a bill has been passed in this session by the Senate and a bill has been making progress in the House, having been reported favorably by a House subcommittee to the House Interior and Insular Affairs Committee.

I ask unanimous consent to have printed in the RECORD the following edi-

torial from the Woodsboro Record of Refugio County, Tex., captioned "The Case for Padre Island as National Seashore Park."

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

[From the Woodsboro, Tex., Record, June 18, 1962]

#### THE CASE FOR PADRE ISLAND AS NATIONAL SEASHORE PARK

Less than 200 years ago our ancestors founded this Nation in the midst of a primitive wilderness of great forests, grassland prairies, unspooled rivers, and untouched seashores. Today the great American frontier is almost a memory. Outside of our national parks only a few unspooled areas remain. Padre Island is one of these.

In 1937 the then owner of Padre Island offered to sell it to the State of Texas for approximately \$450,000. The legislature appropriated that amount and designated the island as a State park. But the measure was vetoed on the advice of the attorney general who contended that the State already owned much of the island.

That claim was finally disposed of in 1944 when the Supreme Court of Texas held that the State had no title to any of the land on the island. No further attempts were made by the State to buy the island.

Since 1937 a number of proposals have been made for the establishment of a public recreational area on Padre Island. But not until 1958 was any concrete action taken. In that year Senator RALPH YARBOROUGH introduced a bill creating a Padre Island National Seashore Area. The measure died without action in the 86th Congress, but was reintroduced by YARBOROUGH in 1960, calling for an 88.5-mile seashore. Identical measures calling for a 65-mile seashore were introduced in the House by Representatives JOHN YOUNG of Corpus Christi and JOE KILGORE of McAllen. Besides designating a lesser area the Young-Kilgore bills called for a roadway through the area. The U.S. Senate passed YARBOROUGH'S bill on April 10. A House subcommittee on May 22 reported out to the House Interior and Insular Affairs Committee a bill setting up a 74-mile seashore, but leaving out the roadway requirement. Congress can approve the seashore plan before it adjourns if Members are willing and public support is maintained.

Both the House and Senate versions of the seashore reserve all mineral rights, with rights of exploration and development, for private owners or the State of Texas. Revenues through royalty and bonuses to the State school fund will not be disturbed. Every major oil company with lease interests on the island have expressed satisfaction with the measure.

South Texans tend to take for granted its magnificent Gulf of Mexico shoreline. Only those who have seen what developers with bulldozers can do in Florida and on the East Coast can appreciate the tragedy of permitting Padre Island to be despoiled.

In 1954 the National Park Service made a survey of the 117 miles of Padre Island and described it as a beach recreation area "of a type unmatched by any other area along the Atlantic or Gulf coasts." Twenty years earlier the National Park Service recalled that it had made a similar survey on the Atlantic and Gulf coasts: "For the most part it represented the ghosts of departed opportunities," the report concluded.

Let it not be said that our children are left to preside over the ghosts of a departed opportunity by our failure to act to preserve for this and future generations the last great stretch of undeveloped shoreline in the United States: Padre Island.

#### THE CASE OF THE MISSING GOLD

Mr. GRUENING. Mr. President, lessons learned in elementary school are elementary. Simple, uncomplicated, primal, they may be regarded as the most important lessons we learn, because upon these simple exercises we build for the rest of our lives.

Sometimes, however, simple truth is ignored when theoretical economists blithely complicate the uncomplicated with their obtuse observations. They can, and do, become gilt-edged obfuscators. I refer, of course, to the steady decline in our gold bullion reserves and our ailing national gold mining industry.

The price for gold in 1962 is identical to that paid in 1934, \$35 per troy ounce of newly mined gold, despite passage of 28 years.

On previous occasions, Mr. President, I have commented on this inequity. Recently I placed in the CONGRESSIONAL RECORD a comparison of prices of many items, showing how they were priced in 1934 and in 1962. Only the price of gold remained unchanged, although the cost of wages and equipment had increased.

Sometimes I have cited fallacies in the arguments of learned men who insist that a subsidy for newly mined domestic gold would upset the world monetary market.

Today I shall discuss another good reason for a subsidy for newly mined domestic gold, a subsidy such as has been proposed in Senate Joint Resolution 44.

The gold mining industry has been placed in an untenable role by a casting director who apparently prefers that his heroine pine away from lack of nourishment. This need not happen.

I am tempted to suggest that Sir Arthur Conan Doyle's master detective, Sherlock Holmes, could readily rescue our golden damsel. Detective Holmes would simply assess and analyze the Nation's gold reserve problem and then proceed to solve "the case of the missing gold."

We may be certain he first would determine the extent of the missing gold. A minimum effort in detection would reveal that the United States often consumes industrially each year more gold than is produced in its mines.

Upon examining available information Mr. Holmes would learn that U.S. gold production in 1960 totaled \$59 million while industrial gold consumption that year reached \$105 million. The deficit of \$46 million is nearly equal to the amount produced. In other years U.S. consumption has exceeded domestic production in 1943, 1944, 1945, 1946, 1949, 1950, 1951, 1952, 1953, 1958, 1959, as well as 1960. And, although the figures for 1961 are not yet complete the same story would appear to be repeating itself.

To substantiate these remarks I ask unanimous consent, Mr. President, to place in the RECORD at this point in my remarks, statistics supplied to me by Mr. Merrill E. Shoup, president of the Golden Cycle Corp., Colorado Springs, Colo., which trace the history of our gold production and domestic industrial consumption for the years 1933 through 1960.



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

TABLE III.—U.S. gold production and industrial consumption, 1933–60  
(In millions of dollars)<sup>1</sup>

Calendar year <sup>2</sup>	U.S. production <sup>3</sup>	U.S. consumption (net)
1933.....	\$47	4—\$6
1934.....	96	4—62
1935.....	111	4—32
1936.....	132	4—3
1937.....	144	3
1938.....	149	( <sup>4</sup> )
1939.....	162	7
1940.....	170	13
1941.....	169	37
1942.....	125	47
1943.....	48	86
1944.....	36	97
1945.....	32	109
1946.....	51	154
1947.....	76	49
1948.....	71	45
1949.....	67	109
1950.....	80	98
1951.....	66	69
1952.....	67	96
1953.....	69	75
1954.....	65	44
1955.....	66	46
1956.....	65	49
1957.....	63	51
1958.....	62	64
1959.....	57	88
1960.....	59	105

<sup>1</sup> Valued at \$20.67 per fine ounce through 1933, and at \$35 thereafter.

<sup>2</sup> Record annual output, 1915, \$99.7 million or 4,823,706 ounces.

<sup>3</sup> Excludes the Philippines throughout.

<sup>4</sup> Minus quantity indicates that the return of secondary gold exceeded gross issues during the period.

<sup>5</sup> Less than \$500,000.

Mr. GRUENING. Mr. President, Detective Sherlock Holmes, I believe, would suggest that the elementary solution would be to increase domestic gold production to meet or surpass industrial consumption.

No world shaking decisions are required.

The solution is simple. Gold miners in 1962 are impeded by a pegged price which would be regarded as intolerable in any other segment of our free economy. Steps are needed to place the U.S. gold supply back in the black while time remains.

A subsidy for newly mined domestic gold, such as has been proposed in Senate Joint Resolution 44, makes the positive steps possible, and the subsidy makes positive national sense.

We hear only the need to balance payments, and I agree that this is one approach and should not be neglected. But as we plug one hole, let us not forget that if we do not replace what we use the warehouse soon will be empty.

The case of the missing gold need never have been written, but it has been, and it deserves a happy ending.

Let us rescue the ailing maiden while there is yet time.

#### AMERICAN PUBLIC POWER ASSOCIATION ENDORSES POWER DEVELOPMENT

Mr. GRUENING. Mr. President, in 42 States and Puerto Rico there are more than 1,100 local publicly owned electric utilities which have joined together to form the American Public Power Association.

This trade organization includes in its membership all types of local publicly owned systems such as municipal electric plants, public utility districts, county and statewide systems—and rural electric cooperatives. It is nonprofit and nonpartisan.

In its declaration of purpose the American Public Power Association describes its official purposes as: First, to promote the efficiency of publicly owned electric systems; second, to achieve greater co-operation among public plants; third, to protect the interests of publicly owned utilities; and, fourth, to render services to its members in the fields of management and operation, engineering, design, construction, research, accounting and commercial practice and legal policy.

The governing body of the association is a board of directors elected by the membership.

For two decades the APPA has worked to aid local publicly owned electric systems to provide more power at lower cost to consumers.

In Alaska are three members of the APPA. They are the Municipal Light and Power Department owned and operated by the city of Anchorage; the Cordova Public Utilities which is the city of Cordova's municipal electric system; and the Fairbanks Municipal Utilities System which is owned by the city of Fairbanks.

When the 19th annual convention of the APPA was held this year in San Juan, P.R., a total of 35 resolutions was approved. Resolution 21 refers specifically to Alaska power development.

The resolution opens with a reference to Alaska's "tremendous hydroelectric potential," observes that the economy of my State "has been severely restricted by inadequate power supply and high electric rates" and then specifically recommends hydroelectric development in the State. Reference is made to Rampart Dam, in the interior of Alaska, the Snettisham project near Juneau, and the Bradley Lake project on the Kenai Peninsula.

The resolution supports the authorization and construction of the Snettisham and Bradley Lake projects. It concludes by resolving that the American Public Power Association "supports the completion of detailed studies of Rampart Dam and, if the final report sustains the finding of feasibility, endorses and urges the construction of the Rampart Dam."

These are encouraging and heartening words.

Alaska's hydroelectric potential is estimated to be in excess of 27 million kilowatts of power. The Rampart Canyon project in itself offers a potential of 5 million kilowatts of low-cost hydroelectric power.

A recent report entitled "The Market for Rampart Power" prepared by the Development & Resources Corp. of New York City contains a letter of transmittal from the corporation president, Mr. Gordon R. Clapp. In his letter to the U.S. Army Engineer for the Alaska District, Mr. Clapp writes:

The United States faces a crucial period of rapid growth during the next generation.

There will be a large increase in our population, in our labor force, and in our stock of industrial capital. New needs for electrical energy, especially at low cost, will be very large. Our sources of low-cost power are limited. Rampart is the largest single undeveloped source of low-cost hydroelectric power in the Nation. There is no source or means which could, at the time Rampart power would become available, provide an equivalent amount of electric power at so low a cost within the United States. In terms of the hundreds of millions of additional kilowatts which will need to be added to the Nation's power supply between now and 1990 if lack of power is not to be a severe brake on national economic growth, Rampart would constitute a small portion of that additional capacity. But it is a portion which in our judgment can be fully used, and used in ways which will serve important national interests.

In addition to its potential supply of low-cost power, Alaska has natural resources and offers economic opportunities which can be of substantial importance to the Nation's economic growth in the decades ahead. If those resources and opportunities are to be fully developed, an ample supply of low-cost electric power in Alaska will be essential.

I concur with his observations. The power potential within Alaska does concern residents of every State. The resolution by American Public Power Association convention delegates is indicative of the growing national awareness in Alaska's potential contribution to free world development, a contribution which this Nation needs if it is to develop soundly and economically.

I ask unanimous consent that the full text of Resolution 21, Alaska power development, be printed in the RECORD at this point.

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

#### ALASKA POWER DEVELOPMENT

Whereas the State of Alaska has tremendous hydroelectric potential, with an estimated undeveloped capacity of more than 27 million kilowatts of power; and

Whereas the economy of the State of Alaska has been severely restricted by inadequate power supply and high electric rates; and

Whereas the Rampart Canyon project alone has a potential of 5 million kilowatts of generating capacity; and

Whereas bills have been introduced in the Congress to authorize construction of the Crater-Long Lakes division of the Snettisham project and of the Bradley Lake project on the Kenai Peninsula; and

Whereas preliminary investigation has established the economic and engineering feasibility of Rampart Dam: Now, therefore, be it

Resolved, That the American Public Power Association urges a program of hydroelectric development in the State of Alaska, and supports authorization and construction of the Crater-Long Lakes division of the Snettisham project and the Bradley Lake project; and be it further

Resolved, That the association supports the completion of detailed studies of Rampart Dam and, if the final report sustains the finding of feasibility, endorses and urges the construction of the Rampart Dam.

#### THE COUNTERATTACK

Mr. THURMOND. Mr. President, in recent months spokesmen for the State

Department have been very much on the defensive in trying to explain to the Congress and the American public the basic tenets of the Department's no-win cold war policy. The Dallas Morning News, one of the most outstanding and respected newspapers in the country, has been pressing the State Department with very strong and pungent editorials for the purpose of trying to bring about a change from a no-win to a win policy in our cold war operations.

The July 6, 1962, issue of the Dallas Morning News carries an excellent editorial entitled "The Counterattack." This editorial points up the various ways in which the State Department has tried to counter criticisms against the Department's no-win policy.

I ask unanimous consent, Mr. President, that this editorial be printed at the conclusion of these remarks, as I feel that it merits the attention of all Members of Congress, particularly the Members of the Senate who are charged with certain responsibilities in the field of foreign affairs.

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

#### THE COUNTERATTACK

For months there has been a good deal of talk about the State Department's no-win foreign policy. The term was first applied by a member of the President's own party, Senator STROM THURMOND, of South Carolina. When THURMOND first used the term to describe the State Department's strategy, his attack met with limited success. In the last 2 months the charge has begun to ring truer and to hit its mark with greater accuracy.

The State Department's handling of the situation in Laos, its proposed concessions to the Communists over the status of Berlin, the testimony of Under Secretary of State George Ball admitting that his Department was responsible for deleting references to victory from the speeches of military officers and the uncovering of appeasement policies advocated by State Department Counselor Walt W. Rostow—all of these have given a good deal more substance to THURMOND's original charge.

As a result, State has become more sensitive to such criticism and is doing its best to discredit those who have been making it.

Frank J. Johnson, editor of the American Security Council's Washington Report, writes in the July 2 issue of that publication that the State Department has begun to mount a massive counterattack which has the dual purpose of repudiating those who call for victory over communism and justifying the strategy of accommodation with the Communists which State has adopted.

This counterattack is well underway and, according to Johnson, its most frequent themes are: (1) that the United States is now actually winning, not losing, the cold war; (2) that opponents of State Department policies are either nuclear warmongers or isolationists; (3) that something more "sophisticated" and "mature" is needed than the "shortcuts" or "simple" solutions advocated by the proponents of victory over communism, and (4) the foreign policy pursued by State is a "win" policy.

To substantiate the view that we are winning the cold war, State Department officials claim that Communist advances have been repelled in more instances than they have been successful. Johnson asks: "If Communist advances are repelled on nine occasions but succeed on the 10th—as in Cuba and Laos—what is the score?"

He says the State Department, with its purely defensive outlook, would call it 9 to 1 in our favor, but advocates of victory would say the score is 1 to 0 in the Communists' favor.

The News agrees with the latter view. As long as we are committed to a containment strategy which prohibits us from making inroads into the Communist empire, the best we can do is maintain the status quo. And what is actually happening is that we are losing the cold war piece by piece, country by country.

Johnson maintains that calling opponents of present policies isolationists and warmongers is a "serious misrepresentation." We agree. He explains that the State Department is interpreting the consequences of a tougher strategy, saying that such a strategy would lead to war; therefore, those who talk the tougher line want war.

But those who advocate a tougher line believe, honestly, we think, that the best way to prevent war is to be strong and to lead from strength. They maintain that the Soviets are in no position to risk nuclear war and would back down in the face of a free-world offensive.

All the talk about sophistication and rejecting simple solutions is little more than a desperation move. Unable to answer much of the criticism, the State Department is more and more retracting into its shell and crying out that "we know better than the amateurs" what the Communists are up to.

What they claim to know is that the Communists are mellowing, but the critics of State have seen no evidence of this.

In claiming that it is really advocating a "win" policy, State makes clear that it believes the leopard has changed its spots. For this "win" policy is at best a policy of peaceful coexistence. As Johnson points out, both sides are therefore promoting peaceful coexistence.

But, as is usually the case, the term means different things to each side. For us it means we can make no move against the Communist empire. To the Communists it means just another strategy for pursuing their ultimate goal of world conquest.

#### NUCLEAR SAFETY DEVICES AND LAYMEN ON THE ATOMIC ENERGY COMMISSION

Mr. ANDERSON. Mr. President, the President's supplemental request for \$23,300,000 for nuclear weapons safety devices reveals publicly a project which has an interesting history.

Because this is such an important step forward in the prevention of accidental or unauthorized detonation of nuclear weapons which could trigger an all-out nuclear war, I thought it might be helpful to sketch how this idea got started and what happened to it.

I do this for another reason also. I have found that the question of assigning credit for originating a new idea or initiating a novel concept is a somewhat touchy one. Scientists sometimes have faulty memories, and their code of scientific ethics in assigning credit for new ideas or developments is somewhat rudimentary. For example, a significant part of the credit for the H-bomb idea should go to a Los Alamos scientist named Dr. Stanislas Ulam, as well as to Dr. Edward Teller.

In the case of these nuclear weapon "locks" or safety devices, the original idea and impetus for this development came not from scientists but from laymen—to wit, the Joint Committee on

Atomic Energy and its staff. I can speak freely on this since I was not directly associated with this effort, although I heartily supported it.

Back in 1958 and 1959 the Joint Committee and its staff became uneasy about the safety and custody of nuclear weapons, particularly those assigned to NATO. In the case of NATO weapons, the weapons delivery system or vehicle—missile, gun or aircraft—is owned by our NATO ally, but the nuclear warhead or bomb itself is owned by the United States and is supposed to be in our "custody."

In 1958 and 1959 we found that the Defense Department had been concealing some "custody" arrangements which raised grave questions as to their legality under the Atomic Energy Act, as well as serious problems of possible unauthorized use or accidental detonation.

In the summer of 1960, as Chairman of the Joint Committee, I authorized a staff study of these problems. That fall and winter I approved an inspection trip by a special ad hoc subcommittee under the chairmanship of Representative CHET HOLIFIELD. The members visited 8 European countries and more than 15 nuclear weapon installations in November and December of 1960. This subcommittee was composed of Representative CHET HOLIFIELD, as chairman, Representative WAYNE ASPINALL, Senator WALLACE F. BENNETT, Representative CRAIG HOSMER and Representative JACK WESTLAND. They were accompanied by AEC Chairman McCone—part way—and Commissioner Graham. They were assisted by staff from the Joint Committee, AEC, and the Defense Department, including James T. Ramey, executive director, and John Conway, assistant staff director, and Col. Richard Lungler from the Joint Committee, and Dwight Ink, Assistant General Manager, AEC.

On February 15, 1961, after numerous meetings to review and discuss various drafts of the report, the top secret ad hoc report was sent to the President by Chairman HOLIFIELD. In the letter of transmittal, Chairman HOLIFIELD stated in part:

We have attempted to make constructive suggestions and recommendations in regard to both the particular and general problems discussed. For example, we have initiated some suggestions which could make our nuclear weapons much safer against accidents or unauthorized use (see pp. 37 and 45-47).

At page 45 of the report the following is stated:

In relation to development of means of safeguarding U.S. weapons from accidental detonations or unauthorized use, the staff of the Joint Committee suggested that the Los Alamos, Livermore, and Sandia Laboratories\* cooperate in developing and adapting devices for these purposes. As a result of this cooperation the following progress has been made (the specifics are classified):

The footnote at page 45 of the report referred to above with an asterisk reads as follows:

On the staff's trip to Albuquerque on October 17 and 18, 1960, Mr. Ramey requested the committee consultant, Dr. Harold Agnew of Los Alamos Laboratory, to look into devices to prevent accidental or unauthorized use in the NATO nuclear system (i.e., means of improving U.S. custody electronically), and



discussed the problem generally with Dr. Henderson of Sandia Laboratory and representatives of DASA. In subsequent discussions before and after the NATO trip, Dr. Agnew indicated considerable progress in developing devices for this purpose.

At the meetings of the Air Force Scientific Advisory Board at Cambridge on October 24, 1960, Messrs. Ramey and Conway requested the committee consultant, Dr. John Foster of Livermore Laboratory, to also consider devices for preventing accidents and unauthorized use in the NATO system. Dr. Foster indicated he had considered these problems a few years ago, and would be very interested in resuming such work. In a briefing of Congressman HOLIFIELD and Mr. Ramey on December 15, 1960, Dr. Foster indicated progress on several approaches.

From the above quotations it should be clear that the idea of utilizing various electromechanical devices to improve U.S. custody and control of nuclear weapons originated with the staff of the Joint Committee and, more specifically, our staff director. Mr. Ramey is a lawyer and administrator with a long experience in dealing with policy and technical matters, as well as legal and administrative problems in the atomic energy program.

It is interesting that in the winter of 1960-61 when the Pentagon heard of the Joint Committee interest in safety devices, they immediately established a Committee on Weapons Safety and proceeded to undertake a study of the problem. The Pentagon scientists called these safety devices "permissive links," and even permitted a Saturday Evening Post article in the summer of 1961 extolling the virtues of their work. However, they were never able or willing to provide the Joint Committee with any technical reports on their work.

Meanwhile, the Joint Committee, under the leadership of Representative HOLIFIELD, undertook a series of hearings in February, March, April, and August of 1961 to review progress on its ad hoc subcommittee's recommendations. At the first session, and several later sessions, actual experimental models of safety devices—or permissive links—were demonstrated by scientists from the AEC weapons laboratories. Again in March 1962, hearings were held in which improved devices were demonstrated.

Our principal scientific experts on these devices included: From Los Alamos Laboratory, Dr. Harold Agnew, alternate weapons division director; from Sandia Corp. Laboratory, Dr. Robert W. Henderson, vice president, weapons programs; Dr. Donald Cotter, director, advanced systems studies; Dr. L. D. Smith, director, electromechanical component development; from the Lawrence Radiation Laboratory (Livermore), Dr. John S. Foster, director, and Dr. Marvin Gustavson, director, safety and control group. I might say also that Dr. Gerald W. Johnson, special assistant to the Secretary of Defense, and Gen. A. W. Betts, Director, AEC Division of Military Applications, have supported this effort consistently.

Numerous exchanges of correspondence have occurred with respect to subsequent Joint Committee recommendations and reports of progress by the

executive branch. The most recent letter was dated May 29, 1962.

I mention these things to show the continuing interest of the Joint Committee in these problems. It is entirely possible, of course, that I have neglected to mention someone who deserves some credit in connection with the Joint Committee's consideration of this problem. If so, I am sorry. I will hasten to rectify matters if the facts are brought to my attention.

I mention these things also to indicate how seriously the Joint Committee and its staff take their responsibilities and how carefully they adhere to the principles of security. Despite various leaks from the Pentagon, like the aforementioned Saturday Evening Post article, no self-serving statement of this important work in which it was engaged came from the Joint Committee. During the past 2 years, the committee members and staff worked quietly and effectively in a truly bipartisan manner without issuing any headline attention public statements.

Fortunately the White House, the Atomic Energy Commission and the Department of Defense have taken our ad hoc committee's report very seriously. We were informed this spring that the White House itself was sponsoring a review of the status of safety device development. Presumably the request by the President for additional funds is the outgrowth of this effort.

We are gratified that the executive branch is going forward with the development of these devices. This is as it should be. However, the Joint Committee has emphasized that in our opinion the production and installation of devices should be accomplished in steps on a priority basis, with due regard for obtaining experience with various types of installations before proceeding across the board on all types of weapons systems.

The moral of this development of these safety devices is that one does not have to be a scientist or engineer to understand problems of policy which have technical and scientific implications. We were faced with a legal and policy problem concerning the custody and control of nuclear weapons in the NATO complex. Indeed this development and certain other developments brought about as a result of our staff study and ad hoc subcommittee report show that it is possible for laymen to sense problems and suggest solutions which scientists and engineers can then implement with all the ingenuity of modern technology.

In this connection I would offer to your attention the article in the New York Times for June 30, 1962 by John Finney, its very fine atomic energy reporter. The article is entitled "Two Nonscientists Sought for AEC" and goes on to point out that "administration officials believe that it is important to continue a counterbalance to the scientific majority." I certainly agree with this view. I ask unanimous consent to insert Mr. Finney's article in the RECORD at this point, as well as an article by another good reporter from the same paper, Mr. Jack Raymond, entitled "United States To Install Locks on Atomic Weapons as Extra Safeguard."

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

[From the New York Times, July 6, 1962]  
UNITED STATES TO INSTALL LOCKS ON ATOMIC WEAPONS AS EXTRA SAFEGUARD  
(By Jack Raymond)

WASHINGTON, July 5.—President Kennedy asked Congress today for \$23,300,000 to install electronic locks on nuclear weapons in this country and abroad as a safeguard against accidental or unauthorized firings.

The President's request concerned a long-secret program to assure improved "command and control" over these weapons, particularly because they are now being stockpiled and earmarked for use by foreign forces.

The request coincided with these related developments:

The President said at his news conference that this country was "prepared to discuss an alternate arrangement" to the existing Western reliance upon U.S. nuclear forces. This was a reference to what the President described as "strong pressures for European nuclear forces" (question 23).

Officials confirmed that as part of the U.S. effort to assure other members of the Atlantic pact that they could rely upon the U.S. forces secret information about U.S. nuclear power was being made available to them. One example is information about the new nuclear safety lock.

Details of the mechanical structure of the locking device are secret. Pierre Salinger, the White House press secretary, would not go beyond a brief official announcement that the President had requested supplementary funds for the Atomic Energy Commission, bringing its total budget for the current fiscal year to \$2,888,588,000.

"The additional funds are required to produce devices for installation in certain deployed nuclear weapons, to prevent the possibility of unauthorized use," the White House said.

By law, only the President can authorize the detonation of a nuclear device under U.S. control, either in combat or in tests.

With respect to the new lock, it was learned that the early discussions of the development of the device began with a suggestion that it could be similar in principle to remote control devices used for switching channels on ordinary television sets.

As now planned for the huge and widespread nuclear weapons arsenal, officials at central locations would be in a position to control the many thousands of nuclear warheads that are in stockpiles or attached to weapons in a continuing alert status.

The development of the safety device is part of a security effort that began when the Kennedy administration took office. It was one element in a program for tighter "command and control" that covered technical communications and the chain of authority as well as supervision of the actual warheads.

In addition to the problem of establishing stockpiles for allied forces, the Government was faced with the problem of devising specific, clear, and unmistakable orders for firing nuclear weapons. What troubled many officials, however, was that the stress on instantaneous retaliation appeared to restrict any but a full salvo of all nuclear weapons.

#### MEASURED RETALIATION

What was sought was a method of measured retaliation, giving the United States a choice "between nuclear holocaust and surrender." In addition to building up conventional forces, this required a selective system of controlling nuclear warheads.

The increasing dispersal of nuclear warheads not only to tactical U.S. units in forward positions but also to foreign forces



presented another problem. For example, German Air Force units have at their military bases stockpiles of nuclear warheads available to them in an emergency.

These stockpiles are in the custody of specially trained U.S. military groups. They would be turned over to the German fighter units only on direct orders from higher authority. Moreover, they could not be used without some implementing mechanical action involving more than one or two people.

#### COMMITTEE IS CONCERNED

A number of procedures must be carried out before the warheads can be mated to their weapons and fired. Officials say that it would not be possible for one or two individuals to go berserk and initiate a nuclear firing without help from higher headquarters.

A panel of the Joint Congressional Atomic Energy Committee came back from a European tour a little more than a year ago very much concerned with the problem of warhead security.

The Joint Committee over the years has been consistently conservative about U.S. custody of nuclear weapons. As a result of its European tour, coinciding with the change of administrations, it put forward the idea of a remote-control device.

The committee, in a series of secret meetings with defense officials, came up with the novel and apparently practical suggestion of an electronic gadget similar to the TV channel switcher.

Against this background, the U.S. allies in the Atlantic Pact began to express concern of their own about the "command and control" of nuclear weapons. One concern was that the United States might not respond with nuclear weapons even to a massive attack in Europe in fear of absorbing a Soviet nuclear attack against its cities.

This, in addition to a desire for prestige, was said to be behind France's decision to build up its own nuclear strategic forces. It is said also to be a basis for the growing pressure to establish a nuclear force under European command.

Britain, which has nuclear forces of its own, has enjoyed a special relation with the United States through integrated targeting plans and exchanges of information. But what presumably bothered many European countries, officials pointed out, was that although their survival depended upon it they knew virtually nothing about the U.S. nuclear forces.

In an effort to dissuade the Europeans, notably France, from pressing for their own nuclear forces as an unnecessary and expensive duplication, the United States has undertaken to disclose many secret details to the members of the North Atlantic Treaty Organization. The promise was made at the Athens meeting of the North Atlantic Council of Ministers last May.

Since then, Thomas K. Finletter, the U.S. Ambassador to NATO, has been authorized to divulge various aspects of the nuclear forces. These include not only the mechanical command and control devices but also many other elements that go into developing and maintaining the huge nuclear arsenal.

Mr. Kennedy, in response to a question dealing with European hopes for an independent nuclear force, said today that the United States feels that the present arrangement under NATO gives full and sufficient guarantees for the integrity of Europe.

The President noted, however, that over the years the Europeans had become increasingly concerned, particularly as the Soviet Union has developed not only atomic power but missiles, which put Europe directly under the gun as well as the United States.

"What we have suggested," the President went on, discussing the pressures for a Euro-

pean nuclear force, "is that this is a matter that Europe should consider carefully, that we would, of course, be responsive to any alternate arrangement they wish to make."

Mr. Kennedy conceded that the Europeans might not be willing to accept the U.S. view that present arrangements were satisfactory, particularly as she develops this additional European union.

In the meantime, however, the Europeans have made no proposal for an alternate arrangement, he said.

[From the New York Times, July 1, 1962]

#### TWO NONSCIENTISTS SOUGHT FOR AEC

(By John W. Finney)

WASHINGTON, June 30.—The resignation of the two lawyer members of the Atomic Energy Commission, effective today, leaves the vast atomic energy program under the complete control of scientists for the first time.

In seeking replacements for Commissioners John S. Graham and Loren K. Olson, the two lawyers, administration officials believe that it is important to continue a counterbalance to the scientific majority. The expectation is that both vacancies will be filled by nonscientists.

The search for candidates, however, is being complicated by the administration's intention to press in the coming year for replacement of the five-man commission with a single administrator. As can be expected, few of the individuals approached have expressed much enthusiasm for coming to Washington to take a job that may be abolished before a year is out.

When it took office, the Kennedy administration was determined that more scientists should be raised into policymaking positions, particularly in such research agencies as the Atomic Energy Commission.

One of its first moves in this direction was to appoint Dr. Glenn T. Seaborg, a Nobel laureate in chemistry, as Chairman of the Commission. A few weeks later, Dr. Leland J. Haworth, a physicist who headed the Brookhaven National Laboratory on Long Island, was named a Commissioner.

The two appointments gave scientists a majority on the Commission. The third member of this majority was Dr. Robert E. Wilson, an Eisenhower appointee.

Dr. Wilson was formerly chief executive officer of the Standard Oil Co. of Indiana, but as a former associate professor of chemical engineering at the Massachusetts Institute of Technology, he takes pride in being counted as a scientist member of the Commission.

Never before had the scientific community gained such control over the civilian agency, which it was so influential in creating in 1946. By tradition, although not by legal requirement, there had always been a scientist on the Commission. Except for a brief period in 1956, however, there had never been more than one scientist at any one time.

#### DISCORD EVOLVED

As is now being acknowledged within the administration, this experiment in scientists' majority control over a Government agency with a \$2,500-million-a-year budget has not been completely effective.

For the last 6 months the work of the Commission has become bogged down in a division, sometimes personally acrimonious, between the scientist and lawyer factions.

In fact, one of the reasons for the resignation of the two lawyers was a growing feeling of frustration over constantly being in the minority when decisions were made.

Underlying the division was a clash of philosophies between the two professions—between scientists and their dedication to the pursuit of scientific truth, and lawyers and their dedication to the principle of a government of laws.

Illustrative of this clash of philosophies was a dispute that went on for months over renewing the contract with the University of California for running three of the Commission's national laboratories.

#### CONTROLS DEBATED

The scientists argued that in line with the principle of freedom of scientific research, a minimum of controls should be imposed on the university. The lawyers contended that if the Commission was going to give the university \$300 million a year, the Government should exercise tighter controls over how the university and laboratories spent the money.

Another illustration was the debate last fall over the size of the Commission's budget for the coming fiscal year. The two lawyers fought against any increase in the budget. The scientists are reliably reported to have expressed amazement that the lawyers should question the proposition that an ever increasing amount of money should be spent on scientific research.

In the arguments within the Commission, the two lawyers formed an effective legal team of counselor and advocate. Mr. Graham, a slow-speaking, storytelling North Carolinian, was the counselor; Mr. Olson, an energetic, fighting Minnesotan, the advocate.

In these contrasting but complementary roles, the two lawyers made a significant impact upon Commission policy.

As a man who pridefully views himself as a politician as well as lawyer, Mr. Graham has served as the political peacemaker between the Commission and the often hostile Joint Congressional Committee on Atomic Energy.

One of his first acts after being appointed in 1957 was to have the Commission and committee members sit down at a chicken dinner in the Metropolitan Club in a partly successful effort to heal the breach that had developed between committee Democrats and Lewis L. Strauss, who was then Chairman of the Commission.

In a quiet, deliberate way that attracted little public attention, Mr. Graham also seized upon certain policy issues and over a period of years was successful in winning the Commission and the executive branch over to his position.

One of his particular concerns was the safety of atomic weapons and reactors. He succeeded in bringing about a gradual tightening of the safety procedures. In alliance with Vice Adm. Hyman G. Rickover, for example, he was able to prevent the Navy from taking over the control of the safety procedures for operation of atomic submarines.

#### PUBLIC WELFARE AMENDMENTS OF 1962

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed, and the Chair lays before the Senate the unfinished business.

There being no objection, the Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. SMATHERS. Mr. President, in view of the fact that the Senate is now operating under controlled time, I ask unanimous consent that the Senator from Oregon may proceed without the time he utilizes coming from the time on either side.

The VICE PRESIDENT. The Chair is informed that the unanimous-consent



agreement does not go into effect until tomorrow.

Mr. SMATHERS. Very well.

#### HYDROELECTRIC PROJECTS IN THE PACIFIC NORTHWEST

Mr. MORSE. Madam President—The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Oregon is recognized.

Mr. MORSE. In the Pacific Northwest there is a great deal of concern about our power projects. It will be recalled that some years ago the Morse Hells Canyon bill passed the Senate, but it failed over in the House at the committee stage, and the Pacific Northwest, and the country, lost the greatest remaining hydroelectric damsite in the country. However, I predict again, as I have before, that, if we could come back in 50 years, we would see that Hells Canyon Dam would have been built by that time and the small, pygmy dams that we had permitted the private utilities to build, destroying for the time being this great Hells Canyon damsite, would themselves have been torn down and the great Hells Canyon Dam finally built.

In my judgment, that is bound to happen because the increased population of the next 50 years is going to demand the use of every potential of electric power available to us; and this shocking unconscionable waste that the House was guilty of when it killed, at the committee stage, the great Hells Canyon Dam project, will be rectified, but, unfortunately, at an additional cost of money over what it would have cost the American taxpayers had the Morse bill passed the House as it did the Senate.

There are other great damsites on the Middle Snake, one of which will have to be developed. I refer to the High Mountain Sheep and the Nez Perce sites. These alternative sites are embroiled at the present time in a considerable amount of controversy and differences of opinion.

Some of us have taken the position for years that Nez Perce, which is second to the Hells Canyon site, should be developed only if there can be a solution to the fish problem.

It has been our understanding that the Federal Government has been at work on a so-called crash fish program entailing a considerable amount of research, study, and investigation as to whether it will be possible to devise the necessary fish ladders and the necessary pools at various levels, so that the fish can reach the spawning grounds and the fingerlings can return. Without these facilities, one of the great economic assets of the Pacific Northwest—the salmon fishing industry—will be destroyed.

Being the optimist that I am, having the confidence that I have in scientific discovery, I have always engaged at least in the hope that our scientists in the field of fisheries would solve this problem. Many of them have told me that they thought it would be solved.

The High Mountain Sheep site is involved in several controversies. First, there is a question as to whether it

should be built instead of the Nez Perce Dam.

Another controversy relates to who should build it. The private utilities have made application to the Federal Power Commission seeking to build it. I understand that a group of public power utility districts in the Pacific Northwest has filed an application seeking permission from the Federal Power Commission to build it. Recently there have been newspaper stories to the effect that the Secretary of the Interior, Mr. Udall, made certain representations to the Federal Power Commission indicating that it is his view that consideration should be given to the possibility of the Federal Government building High Mountain Sheep Dam if it is built.

I have before me three editorials which bear upon this subject. The first is from the Portland Reporter of Monday, July 2, 1962, and is entitled "No Time for Crawfishing." I ask unanimous consent that it may be printed in the RECORD.

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

[From the Portland Reporter, July 2, 1962]

#### NO TIME FOR CRAWFISHING

The Federal Power Commission has the major responsibility for seeing to it that this country has kilowatts for peace and war. If it had failed in this tremendous responsibility late in the depression, the United States and its heroic allies would have had no power for production of the aluminum which went into World War II bombers. That responsibility also extended to carrying out the New Deal's betterment through cheap power.

Obviously the Commission's main responsibility is to encourage generation of more and more kilowatts by more and more agencies, private, municipal, and Federal. It is directed by historic legislation to insist on the maximum kilowatt production, consistent with multiple resource utilization, from powersites. Since there is a growing power shortage nationally, evidenced by the pickup in rate increases everywhere except in public power areas, the responsibility for getting the most kilowatts out of every damsite is becoming greater.

How not only to promote the most advantageous use of dams, steamplants and regional power pools, but also how to make possible the exploitation of regional interties and wasted atomic heat for new kilowatts is a responsibility of the Commission.

In this pressing demand for more and more kilowatts, we do not believe the Commission is in any position to throw down the gutter over 1 million kilowatts by favoring Mountain Sheep site over the Nez Perce site on the Middle Snake. The Nez Perce project would not only produce much more kilowatts in its own generators than Mountain Sheep, but would double its rival's contribution in storage water releases to downstream dams.

We suggest the Commission consider the licensing of the best powersite on the Middle Snake with due regard to the Northwest power supply picture in 5 years or so when every competent power forecaster predicts a shortage. Throwing away 1 million kilowatts won't look nice then. Fish stories won't sound funny to a kilowatt-starving region.

We have little sympathy with Secretary of the Interior Stewart Udall's encroaching into the licensing responsibility of the Federal Power Commission. Udall has a responsibility to safeguard fish resources on power streams, but that did not call for his writing a letter to the Power Commission last spring

to hold up a license on the Middle Snake and now another letter to deny a license there and let the Federal Government build Mountain Sheep Dam.

Udall must be joking to recommend that the Federal Government build Mountain Sheep after Congress rejected Federal Hell's Canyon Dam at the price of underdevelopment of the power potential by the Idaho Power Co. Without every pressure on Congress, that of power shortages, need for navigation, contribution to irrigation and recreation, no power project can get congressional blessing.

Mr. MORSE. The second editorial is from the Capital Press of June 22, 1962, and is entitled "Regional Preference." It deals in part with the problem I have been talking about, and with some other very important hydroelectric power issues, including a discussion of the so-called intertie issue. I ask unanimous consent that it may be printed in the RECORD at this point.

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

#### REGIONAL PREFERENCE

Far be it from us to question the motives of Federal Power Commissioners Joseph S. Swidler, Chairman, and Charles R. Ross in opposing regional preference for the Northwest for power generated in the Northwest; but their position, if accepted by the Congress, would surely hamper if not throttle industrial development in the Northwest, to the delight of New England and the South. Mr. Ross of Vermont and Mr. Swidler, former Tennessee Valley Administration counsel, must be heroes in their home areas for their stand.

Messieurs Ross and Swidler say they favor the development of Federal and private interties for power transmission; they say they want Bonneville Power Administration to be able to keep its rates down; and they say they want to see the Northwest grow. But their actions belie their words.

The two men surely are, or certainly should be, politically astute enough to know that S. 3153, H.R. 11264, and H.R. 11265—congressional bills drafted by the Department of the Interior at the request of the Senate Interior Committee to make possible the exchange of surplus power between the Northwest and other regions—will surely be killed in committee if the regional preference clause is not included.

Senate Majority Leader MIKE MANSFIELD and Senator LEE METCALF, of Montana, Senators WAYNE MORSE and MAURINE NEUBERGER, of Oregon, Senators WARREN MAGNUSON and HENRY JACKSON, of Washington, and Senator FRANK CHURCH, of Idaho, could not possibly approve a bill allowing Bonneville Power Administration to ship power out of the Northwest pool without safeguards guaranteeing that only surpluses, and not power needed by Northwest industries, would be exported.

The political influence of these Senators alone would most likely be enough to kill any intertie arrangement that did not contain such safeguards, but combined with the political power of private business firms throughout the Northwest whose interests are dependent upon plentiful, cheap power being available to the region, it is certain that no intertie bill would even get out of committee.

Without an intertie, it is quite possible that Bonneville Power Administration rates would have to be increased, thus hampering Northwest business in competition with the South and East.

Also, without an intertie, a sensible and needed exchange of power throughout the West and possibly reaching to the Midwest



would be impossible. With a tie not including Northwest preference, it is certain that the outflow of power would throttle business in the Northwest.

It is a curiously contradictory position, then, that Mr. Ross and Mr. Swidler are taking—claiming to be all for the Northwest, yet putting a knife to its throat.

The high-sounding reason given by Mr. Ross and Mr. Swidler for their opposition to regional preference is that power developed at the expense of all the taxpayers should be made available to all the taxpayers equally. They add that to allow regional preference in the present case would set a bad precedent for similar Federal projects elsewhere.

The argument fallaciously ignores several pertinent points.

One is that Federal power projects in the Northwest have been constructed on the premise that they were in the national interest. Their authorization took place long before it became technically feasible to move power great distances, so it must have been the assumption of Congress that the development of the Northwest—of only the Northwest—made possible by these projects was to the benefit of the country as a whole.

Surely the returns to the U.S. Treasury from direct power sales, plus the income tax revenue reaped from industrial development of the Northwest, have justified Congress' attitude. Just as surely, removal of the regional preference would reverse this.

Power sales at great distances would be discounted by the cost of transport; for surplus power now going to waste, this would be no objection, but for firm power now being sold to nearby industries, it would. And tax returns from the Northwest would decline as Northwest industries suffered from a lack of power. The cost to the Nation of unemployed Northwest workers being thrown upon workmen's compensation and welfare relief rolls would be another factor.

Another pertinent point is that regional preference for the Northwest would by no means set a precedent. There have been at least three other instances such as this. And even if it did set a precedent, it would not be a bad one.

Surely no one could argue logically in favor of depriving a whole economic region of its principal (virtually its sole) source of energy in order to dissipate it around to the Nation's taxpayers piecemeal. This would be like requiring California to export the oil and natural gas that it needs just because the Nation's taxpayers are helping to foot the bill for its discovery through the 27½ percent depletion allowance. To retain for a region its principal natural power source seems to us not just a precedent to be set, but a basic matter of national interest.

In truth, the position taken by Mr. Ross and Mr. Swidler perhaps should not cause us as much alarm as we have demonstrated, for they are not influential men in Washington (Mr. Swidler is even having trouble getting an adequate FPC budget out of Congress). But the sweetly reasonable-sounding arguments they advance against regional power preference for the Northwest could easily be taken up by men who are influential in Washington, and our power resource is a too important matter for us to ignore even the slightest danger to it.

Mr. MORSE. Madam President, I also ask unanimous consent that an editorial from the Oregon Statesman of Friday, June 29, 1962, entitled "Udall for 'Mountain Sheep,'" be printed in the RECORD at this point.

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

UDALL FOR "MOUNTAIN SHEEP"

Secretary of the Interior Udall in a letter to the Chairman of the Federal Power Com-

mission recommends that the Federal Government build the Snake River dam at Mountain Sheep site. Present applicants are the Pacific Northwest Power Corp., a combine of Northwest private utility companies, and Washington Power Authority, an agency of the State of Washington. This interjects a third candidate, if Udall's letter may be so regarded. The Corps of Engineers has made no move to get this job. Some time ago there was a division of possible projects between Interior and Corps of Engineers. We don't know whether this Snake River development was assigned to one or the other.

The FPC will have to decide whether to give a license to one or the other of the two applicants, or to hold the site for the Federal Government. It might take lengthy holding however, because Congress will be reluctant to finance a dam in Snake River when local bodies are willing to put up the money.

Secretary Udall says that Federal construction will result in a lower cost of power. That is true. The Government can borrow money at a lower rate of interest, and it pays no taxes on its installation. But is it the duty of the Government to crowd out private investors merely to lower costs to consumers?

Another point was made by Udall, that it is essential that any new storage dam on the Snake coordinates with downstream dams. That's true; and such coordination will be affected no matter who is the owner. Just upstream are the dams of Idaho Power which will have to be operated in coordination with those downstream.

Udall concedes that there is little promise of a major breakthrough on fish problems which would make practical choice of the Nez Perce site, below the mouth of Salmon River. This should encourage the FPC to settle on Mountain Sheep.

Federal construction, says Udall, would assure that every effort would be made to preserve and improve the fishery resource. The government would spend plenty of money, but other agencies would install whatever the FPC required.

We think the Pacific Northwest should get the license. It pioneered the research in this section of Snake River and made heavy investments thereon. Its members need the energy to supply their customers, especially in view of their ultimate loss of Federal power.

Mr. MORSE. I also ask unanimous consent to have printed in the RECORD at this point a letter which I wrote to the Federal Power Commission, dated June 27, 1962. I notified Secretary Udall that I had sent the letter to the Federal Power Commission.

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

JUNE 27, 1962.

Mr. JOSEPH C. SWIDLER,  
Chairman, Federal Power Commission,  
Washington, D.C.

DEAR Mr. SWIDLER: It has been rumored that the Department of the Interior is considering changing the position it presently holds in the case before the Federal Power Commission regarding the applications for licenses for the Nez Perce and High Mountain Sheep projects on the Snake River. According to information I have received, the Department intends to support the High Mountain Sheep project and thus, in effect, abandon or prejudice the crash fisheries program which the Department of the Interior has undertaken at its initiative and for which Congress had granted appropriations.

It would seem to me that such a radical change in position for the Department is untimely and unwise, inasmuch as this case has been before the Commission since early

1958. All testimony has been taken and the case is pending before the examiner.

I believe that the Commission should proceed with its processing of this case on the basis of all evidence submitted by the parties and should carry out the mandate of the Federal Power Act to recommend comprehensive, multipurpose development. The Commission, in my opinion, should not take cognizance which places a higher value on one resource than on all other resource values which can be obtained at this stretch of the river.

Sincerely yours,

WAYNE MORSE.

Mr. MORSE. I also ask unanimous consent to have a letter which I sent to Secretary Udall, under date of June 22, 1962, printed in the RECORD at this point.

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

JUNE 22, 1962.

Hon. STEWART L. UDALL,  
Secretary of Interior, Department of Interior,  
Washington, D.C.

DEAR SECRETARY UDALL: You will recall that when we conferred on June 8 in your office concerning the report of the Department of Interior on the Rogue River Basin Project, you discussed with me briefly the proposed amendment to the omnibus rivers and harbors bill which would set aside certain Pacific Northwest river areas as fish and recreation sanctuaries.

During the course of our conference you outlined in general terms the nature of this sanctuary proposal. I told you I would give some thought to the matter and would correspond with you in that respect as soon as possible.

In reviewing the general proposal, insofar as I can recall its provisions, I have become quite apprehensive that this plan, if put into effect, could occasion severe economic losses to the entire region without compensatory benefits in terms of fish and recreation. Before arriving at a final judgment on the matter, however, I would like very much to have a letter from you setting forth the full details of this program, including your comments as to the economic impact this proposal would have on the Pacific Northwest, and particularly, the State of Oregon.

In the meantime, I trust that the administration will not take further action on this matter until I have had an opportunity to discuss the subject with you.

With best personal regards.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Madam President, in my letter to Mr. Swidler, the Chairman of the Federal Power Commission, under date of June 27, I said:

It has been rumored that the Department of the Interior is considering changing the position it presently holds in the case before the Federal Power Commission regarding the applications for licenses for the Nez Perce and High Mountain Sheep projects on the Snake River. According to information I have received, the Department intends to support the High Mountain Sheep project and thus, in effect, abandon or prejudice the crash fisheries program which the Department of the Interior has undertaken at its initiative and for which Congress had granted appropriations.

It would seem to me that such a radical change in position for the Department is untimely and unwise, inasmuch as this case has been before the Commission since early 1958. All testimony has been taken and the case is pending before the examiner.

I believe that the Commission should proceed with its processing of this case on the basis of all evidence submitted by the parties and should carry out the mandate of the



Federal Power Act to recommend comprehensive, multipurpose development. The Commission, in my opinion, should not take cognizance which places a higher value on one resource than on all other resource values which can be obtained at this stretch of the river.

I raise this question on the floor of the Senate today because I think the time has come to get it out into the open for such public discussion as may flow from the disclosure of my letter to the Federal Power Commission. I have devoted a great many years of service to the people of my State in connection with the development of the hydroelectric power potential and resources of the rivers of the Pacific Northwest, including the Snake River. I am well aware of the fact that there are powerful political forces which would like, prior to the election in November, to obtain some order favoring their position on the highly controversial issue as to exactly how the Middle Snake River should be developed.

The senior Senator from Oregon takes the position that no decision should be made until we have the facts. We do not have the facts as yet in regard to the fishery problem.

I think it has been made very clear that it is the desire of Congress that the "crash" fish study be completed. The money has been appropriated. I understand that the work is well underway.

Madam President, the final decision for the development of the Middle Snake River to the maximum potential possible, consistent with public policy interests, should be formed after all the facts are in. Let the RECORD show that on the basis of such facts as I have at the present time I am opposed to any decision being made at this time in regard to any of these dams, until the "crash" fish study has been completed, because I do not see how we can decide what is in the best interests of the public, keeping in mind that this is a matter which is going to affect not only this generation but also generations to come, until we get all the facts.

I know it would be very pleasing for some, if the senior Senator from Oregon were to say, "Let us go on with High Mountain Sheep." But someone then might ask the senior Senator from Oregon, "Are you satisfied that the fish problem at Nez Perce cannot be solved?" What would be my answer? It would be, "I do not know." Then someone might say, "Do you mean that you came out for High Mountain Sheep before you knew whether the fish problem at Nez Perce could be solved?"

That is not the way I serve the public interest in the Senate. I try to reach my decisions after I have all the facts. If I am correctly informed—and I think I am—the Federal Power Commission does not have the facts yet. Mr. Udall does not yet have all the facts on the fish passage study. Those of us who represent the Pacific Northwest do not have all the facts yet.

We shall not have all the facts until the "crash" fish program and study have been completed. So I have taken a few minutes this afternoon on the floor of the Senate to make clear to my constituents, to the Federal Power Commission,

to the Secretary of the Interior, and to the Congress exactly where I stand on the issue as of this moment. I hope that there will be no delay or dilly-dally procrastination with regard to the completion of the "crash" fish program. I hope the Federal Power Commission will not succumb to the suggestion of the Secretary of the Interior that it should set aside the proceedings that have already been held, but not to the point of finality, and substitute therefor the granting of a license by the Federal Power Commission for the High Mountain Sheep Dam. It may well be that eventually we will build the High Mountain Sheep Dam. It may be when all the facts are known it will be clear that the public interest would be best served by building High Mountain Sheep. But I am no novice to the problem. I have lived with power problems in my section of the country for many years.

In conclusion, I do not know of any official in Government, be he the Secretary of the Interior or any other, and I do not know of any agency of Government, be it the Federal Power Commission or any other, that at the present time has all the facts that would justify a finality of decision in regard to the development of the Middle Snake River.

I hope that within a year those facts will be assembled. But I cannot be stampeded into a decision merely because an election is approaching, nor can I be stampeded into a decision on the basis of the argument that pursuing a certain course might win me some votes. On this issue, the votes I am interested in are the votes I can cast in the Senate. I shall cast my votes in the public interest, confident that if I do so, and the public is informed as to the basis of those votes, I will not have to worry about the decision the public will make in approving representation that insists upon casting votes in the public interest in the Senate.

I repeat that we do not yet know what all the facts are in regard to the "crash" fish program. We do not know whether the fish problem can be solved at Nez Perce. If it can be solved, I repeat what I have said so many times in recent years, that this dam should then be built. Why? Nez Perce would provide the American taxpayer more for his money. It would give greater protection as far as flood control is concerned and also would develop the maximum potential of the other multiple uses to which the dam could be put, including hydroelectric power.

#### EMPLOYMENT OF YOUNG PEOPLE ON FARMS

Mr. MORSE. Madam President, for some time I have been receiving an increasingly heavy volume of mail from Oregon farmers and, interestingly enough, from youngsters who live in farm areas, which is very critical of the provisions of S. 1123, a bill which passed the Senate by voice vote at the end of the last session. The bill is at present before the House Rules Committee.

My correspondents, both adult and school age, are concerned that if the legislation is enacted in the form it passed

the Senate, work opportunities in our Oregon beanfields and in our strawberry fields will be denied to Oregon boys and girls who have traditionally been employed during the harvest. Many of the youngsters tell me that their earnings from this employment, which they do not consider to be onerous, enable them to buy clothes for the fall school year start.

Last Wednesday, the fourth of July, I was at St. Paul, Oreg., participating in the 27th annual St. Paul rodeo celebration. I had a request to meet with approximately 40 boys and girls who had been picking strawberries and other crops such as beans and cherries.

They were a very refreshing and effective group of lobbyists. There was no question about their sincerity. There was no question that they spoke from their hearts. There was no question about their concern as to what the bill which passed the Senate without any procedural restrictions in it which I shall mention before I finish my short speech, would do to their potential employment. Sometimes we parents call it earning pin money or vacation money.

I met with them and listened to the discussion of their fears and concern with respect to the restrictions of S. 1123. Some of them left with me some letters which they had written prior to coming to the conference. They are sweet letters. They are moving letters. In fact, they are proof again of what some of us have pointed out so many times, that we do not have to worry about the younger generation of Americans, for they are not only thinking about the problems of government and legislation, but they are also putting into practice the teachings of good citizenship which are being inculcated by home and church and school.

I ask unanimous consent that this group of letters which these boys and girls handed to me last July 4 at the St. Paul, Oreg., rodeo be printed in the RECORD following my speech.

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

(See exhibit 1.)

Mr. MORSE. First, before I met with this group of youngsters in Oregon and received these letters, I was a little suspicious of some of my mail, in that I thought some of it might be inspired mail, the type with which we are all familiar whenever a great legislative proposal or issue is being considered by the Congress.

I am satisfied that the mail I have received on this issue is not inspired, in the sense that it is being written by correspondents as a matter of form and under instructions. I have no doubt that there has been a considerable amount of discussion about the problem. As these boys and girls congregated at the berry farms, the cherry orchards, or beanfields, I feel that they talked over their employment problems together.

I am satisfied that they wrote these letters—and many of us have received them—sincerely motivated by their dedication to good citizenship. They are raising their voices in protest against what they think is a legislative injustice which will be done to them if the bill



is not modified in the House, and thus passes the House without modification, or if it is not changed in conference.

Therefore, I believe, as I have said, that much of my mail is the sincere expression of a strongly held concern on the part of the boys and girls themselves and on the part of their parents as well. Much of my mail comes to me from parents. Some of the letters which I have received permission to put in the RECORD are signed by both the parents and the children. Here, for example, is one with a P.S.: "I've asked my parents to sign this letter." They have signed it. I note on another letter: "P.S.—My parents also agree with me." The parents have also signed the letter as a postscript.

I am not unmindful of the intent of the bill which was to protect youngsters from the hazards to health and safety which farmwork with modern machinery entails. I recall the statistics which were presented to the subcommittee to the effect that of 12,615 fatal farm accidents in 1949-53, 1,064 happened to youngsters between the ages of 10 and 14. I recall that in California each year 500 youngsters of school age are injured, and that 85 percent of the injuries to 250 of these involved children under 14 years of age.

Madam President, I am not unmindful also of the medical testimony which was incorporated into a fact sheet prepared by the Migratory Labor Subcommittee. I ask unanimous consent that this portion of the fact sheet be printed at this point in my remarks.

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

#### MIGRATORY LABOR SUBCOMMITTEE FACT SHEET

Doctors have long asserted that hard farmwork is harmful to young children. Dr. Hanson, late head of Columbia University's School of Public Health, said "children in industry, whether indoors or out, show in exaggerated form damage to growth." As early as 1951, a subcommittee of the AMA urged that a general 14-year age minimum be set for employment. According to Dr. Charles Hendee Smith, professor of clinical diseases of children, College of Physicians and Surgeons, Columbia University, long hours of tiring work (as in factories or in beet or cotton fields) result in chronic fatigue, which is harmful to children in two ways: First, a child, early in life, must grow and gain weight. Excessive muscular work expends the energy which should be used in the natural process of growth. Agricultural processes such as the thinning, pulling, and topping of beets, the picking and hoeing of cotton, etc., require constant bending or stooping and, frequently lifting. Consequently, the child becomes undernourished and undersized. Second, chronic fatigue lowers a child's resistance to disease. Infections, which are everywhere lying in wait for the growing child, find an easy victim in those who are overfatigued and undernourished.

Richard A. Bolt, M.D., assistant professor of child hygiene, University of California, has noted how monotonous and fatiguing work, and the constant shifting of employment, tend to disintegrate the child's personality and lead eventually to delinquency, dependency or an ineffective and purposeless life.

Young children seldom have a meaningful conception of the dangers facing them. This fact is made tragically obvious by a sampling

of newspaper accounts which document how young children working on farms are seriously injured, maimed, or killed:

(a) "Doctors found it necessary to amputate the right leg of Larry Panasuk, 15, farm youth who had caught it in a hay baler." Popular Standard, August 23, 1957 (Montana).

(b) "Doctors at Community Hospital last night were giving a plucky 9-year-old Mira Loma boy a 50-50 chance to pull through after he became entangled late yesterday in an automatic feeder." Riverside Enterprise, November 20, 1957 (California).

(c) "Twelve-year-old Carroll Dale Lucase was decapitated late Wednesday afternoon when a tractor rolled over him." La Salle News Tribune, October 30, 1958 (Illinois).

(d) "The whirling blades of a rotary-type farm mower brought almost instant death to 15-year-old Roy Lee Mann in a tragic accident." Fallettsville Tribune, June 11, 1957 (Texas).

(e) "Gene Foth, 12, young farm youth, lost a leg and a finger and suffered a severe gash on his left arm in a mower accident."

(f) "A 15-year-old farm youth had his foot practically torn off in a hay-loading mishap, but attending doctors are hopeful their surgery will prove successful." Republican-Press (New York).

Mr. MORSE. Madam President, let me say, as a parent whose three girls started picking beans at the age of 9, and summer after summer picked beans, that I remember an observation I made when they received their first pay. Apparently they had a very wise psychologist as an employer. The pay did not amount to much—perhaps \$3 or \$4—but he paid them by check.

I never will forget the reaction of these little daughters of mine when they came home and showed their parents their check. I observe that it is true of youngsters generally that apparently it means much more to them to get paid by check than to be paid in cash. It apparently creates a favorable impression on them, because they have the feeling that they have reached their daddy's status, in that their labors are being paid for in such a highly recognized commercial form as a check.

I am aware of the fact that with thousands of youngsters working in vacation periods in berry fields and beanfields and cherry orchards and other places across the country, the laws of chance and mishap being what they are, some may meet with some accidents. A truck or a bus carrying children to such work may be struck by a train. We know as parents the sadness which overcomes us whenever we read of some accident on a highway or in a field or elsewhere which injures a child.

However, buses sometimes get struck going to playgrounds. Youngsters sometimes fall down school steps. As parents we sometimes wonder how we ever raised them to adulthood, when we think of all the vicissitudes that faced them as children. Therefore, we need to be careful as to the inferences which we draw when we look at the evidence that is put into a hearing record which shows that accidents have occurred in connection with children who are working. We should also take a look at the accidents that occur to children who are not working and who are engaging in other pursuits at the time of the accident or injury.

It seems to me that we must make certain, in the legislation we pass, that we provide, to the best of our knowledge, the safety measures, the safety rules and requirements, and the supervisory requirements, which will keep to a minimum any possible danger to the life and limb of a child, whether he is working in a cherry orchard or is at an amusement park.

I am dwelling a bit on this subject because I am well aware of the emotional effect of this argument that is often used by those who would seek to deny any employment of children whatsoever. I also know how easy it is to put a public official in a discolored position on an issue such as this and then have it said, "Oh, he is for exploiting children." There seem to be these great jumps in reasoning when we get into this field of discussion. Very extreme views are held.

So let me say, in making this speech, that the senior Senator from Oregon urges that all the rules and regulations necessary for the maximum of safety be provided in any legislation which permits children in their vacation time to do the type of work we are discussing. It is work which is greatly circumscribed and limited in S. 1123, as we now discover from a further consideration of it after it has passed the Senate.

Then, too, let us keep in mind that legislation in this field was urged upon us to protect the child of the migrant worker family. There is much in S. 1123 as to which I would not change the dot of an i or the cross of a t or a comma or a period. We are talking about the limited phase of S. 1123 which has aroused so many protests in connection with the so-called vacation work of the boy or girl who, as I said, wants to go out and to work, as my children did from the time they were 9 years old. Such work not only did not hurt them; it did them a great deal of good. I am not one to say that a direct line of cause to effect connection can be drawn between the type of vacation work I am talking about this afternoon and character building, the teaching of a lesson of thrift, inculcating in the child an understanding of the great value and self-satisfaction of work and being compensated for it, and the instilling of a better understanding of our whole private property economic system. But all these factors are involved.

We need only mention them, and every parent will recognize that they are involved.

Of course, it can be overdone. Some of the material I have placed in the RECORD, deploring long hours, the hazards of employment, and undernourishment, is characteristic of the life of the child of the migrant worker. I am not talking about the elimination of any supervision of the working conditions of the child of the migrant worker or the child of the nonmigrant worker. I am only saying that administration and supervision are one thing, but that a denial of the right to work completely is quite a different problem.

I am directing my remarks to the question whether S. 1123 needs to be modified in order to permit a greater lati-



tude on the part of the children who work in the orchards, the strawberry patches, and the beanfields.

It is the problem which these young lobbyists, some 40 in number, presented to me last Wednesday at St. Paul, Oreg.—and effectively, too. I think they have a case; I think their parents have a case. I am directing my remarks this afternoon to that case.

But in a desire to be fair, I point out that strong objections are raised to any proposal for a modification of S. 1123 along the lines of my speech this afternoon. My hometown newspaper, the Eugene Register-Guard, of June 27, contains a letter to the editor on this subject. I shall not use the name of the writer of the letter; in my judgment, it would not be fair to the writer of the letter to do so without getting his permission; although, obviously, the writer of the letter was not concerned about his name being used, since his letter was addressed to the editor. Nevertheless, I ask that the letter published in the Eugene Register-Guard of June 27, 1962, from a citizen who does not want S. 1123 changed in any way, be printed at this point in the RECORD.

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

#### CHILD LABOR BILL

Your editorial of June 4 deserves commendation. It is a masterpiece of twisted reasoning and gross ignorance.

The editorial maligns a bill to limit the labor of children in agriculture. Passage would stop hiring of children under 12, restrict those between 12 and 14 to work no more than 25 miles from home, and bar employment of children under 16 during school hours.

You're afraid the boy down the street won't get his sultan. The problem is bigger than that.

There are more than 2 million migrant workers in the United States, eking out a bare existence, living in squalor, going hungry more often than not. The death rate among the children—and there are more than 500,000 of them—is twice as high as in any other section of the population.

A few years ago in the lush San Joaquin Valley, amid abundant cotton, fruit, and vegetable crops, in 3 months 56 children of migratory workers died from what county records show as "malnutrition." They starved.

The situation was described by a well-known organization of farmowners as "quite normal" and "no cause for concern."

Many of these children who work 12 hours a day in all weather to earn a few cents are only 5 or 6 years old; the workers are frequently herded into trucks and shipped like cattle hundreds of miles. These trucks carry their human cargo longer than 36 hours without breaks. Drivers provide beer and sweet rolls to dull appetites; an open pall becomes a community toilet. Some lock their workers in; a few years ago a truck struck a train, and 47 migrant workers, many of them children, were burned alive, because they were locked in.

You state this bill is a shotgun attack. It is not. There have been many bills designed to aid the migrant's plight. They fail because strong farm interests lobby against them and because there is pathetic indifference on the part of American citizens and newspapers. The bill is an attempt to stop the exploitation of some American children by taking them off the labor market.

The advantage is obvious. It is a sad fact that if there is labor in this country that can

be exploited, it will be. If these children can't be exploited, perhaps some reformer, someday, can slip through a bill that will not only insure them the bare necessities of life but some hope for the future.

I quote you: "It's a well-meaning bill. But it would just about wreck many agricultural ventures." If these ventures must exist on the bloated bodies of starving children, they should have been wrecked long ago.

Mr. MORSE. Madam President, to get the other point of view, but, again, the point of view dealing with the problem of the child of the migrant worker, I wish to read, for emphasis, a few paragraphs from the letter. The writer says:

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The situation was described by a well-known organization of farmowners as "quite normal" and "no cause for concern."

The letter goes on to point out some of the other deplorable conditions which have existed in connection with the migrant labor problem. I respectfully point out that the answer is not to deny all children the right to do so-called vacation work.

Our obligation is to make certain that the legislation we pass does not make it possible for any employing group to exploit children the way this writer says happened in the specific instances he discusses in which children were exploited. The answer is not to deny a child the right to pick berries, if he wants to pick berries for a few hours a day, and happens to be the child of a migrant worker. The answer is to see to it that our laws on migratory labor are so drafted, supervised, and enforced as to make certain that such children have proper food; that they have proper health protection; that they have proper housing conditions. To do otherwise seems to me to be like trying to burn down the henhouse because the owner does not want to go in and do the job necessary to take the lice off the roosts.

He can get rid of the lice, but he can also get rid of the economic resources represented by the henhouse; and a similar situation is involved in this case, to a degree.

So let me say to the constituents in my State, as I discuss this matter this afternoon, that I am not advocating or asking for any lifting of the guarantees which we have provided in order to see to it that the families of migratory workers are properly housed in the orchards of Oregon or on the berry farms

of Oregon or on any of the other farms which are producing agricultural products for which migratory labor is so important; and, Madam President, I do not retreat in the slightest from my record of many years in support of legislation to protect the health and welfare of migratory workers and their children. This afternoon I am addressing myself only to this limited question: Is it true, as the representations made to us would seem to indicate, that Senate bill 1123 goes too far in the denial of the opportunity to work to a great many youngsters who would not be harmed if they were allowed to work? In my judgment, it does; and I hope the bill will be modified either in the House of Representatives or in conference.

Madam President, I have cited this material because I want my constituents to know the evidence before the Senate on the need for some legislation in this area.

During the course of the Senate floor debate, prior to the passage of the bill, the distinguished Senator from Florida [Mr. HOLLAND], the distinguished Senator from Illinois [Mr. DOUGLAS], the distinguished Senator from Kentucky [Mr. COOPER], and the distinguished Senator from New York [Mr. JAVITS] had exchanges with the floor leader of the bill, the distinguished Senator from New Jersey [Mr. WILLIAMS]. Because of the importance of understanding the Senate action on this bill, I ask unanimous consent that the floor debate of September 1, 1961, preceding the passage of S. 1123 be printed at this point in the RECORD, in connection with my remarks.

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

#### EXEMPTION OF AGRICULTURAL EMPLOYEES FROM CHILD LABOR PROVISIONS

Mr. MANSFIELD. Mr. President, if Senators will bear with me a few minutes, I move that the Senate proceed to the consideration of Calendar No. 673, S. 1123.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1123) to amend section 13(c) of the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with an amendment, to strike out all after the enacting clause and insert:

"That section 12 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"(d) (1) Except as provided in paragraph (2), the employer of any employee under the age of eighteen who is (A) employed in agriculture, and (B) engaged in commerce or in the production of goods for commerce, shall (unless such employee is his own child or a child with respect to whom he stands in the place of a parent) be liable, regardless of fault, in money damages for disability or death of the child arising out of or in the course of such employment. The amount of damages under this subsection shall be arrived at in accordance with the law of the jurisdiction where the disability or death

arose. The right of action provided an employee by this subsection shall survive to his parent, or, if he has no parent, to the person standing in place of the parent, or, if there is no such person, to his next of kin (jointly, if there is more than one). Nothing in this subsection shall take away any right or bar any remedy to which an employee is entitled under any other State or Federal law, but no claim may be asserted, or action brought, under this subsection for damages for any disability or death with respect to which a claim has been asserted under any other State or Federal law. No claim based on this subsection may be adjusted, settled, or discharged without the approval of a Federal court or State court of appropriate civil jurisdiction.

"(2) No claim will lie under this section on account of disability or death of an employee, if a workmen's compensation act of the State where the disability or death arose applied to such employee, and such employee is covered under such act, at the time the disability or death arose, whether or not the circumstances of the particular case are such as to permit recovery under such act."

"Sec. 2. Section 13(c) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(c) The provisions of section 12 relating to child labor (other than subsection (d) thereof) shall not apply with respect to—

"(1) any employee employed in agriculture outside of school hours for the school district where such employee is living while he is so employed, if such employee is—

"(A) employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person, or

"(B) is fourteen years of age or over, or

"(C) is twelve years of age or over and is employed on a farm within the county of the employee's permanent residence or within an adjoining county, but not more than twenty-five miles from the employee's permanent residence, and the employment is with written consent of his parent or person standing in the place of his parent, or

"(2) any child employed as an actor or performer in motion pictures or theatrical productions, or in radio or television productions."

"Sec. 3. The amendments made by this Act shall become effective January 1, 1962."

Mr. MANSFIELD. Mr. President, this is another of the bills which was postponed for a week, from last Friday. I understand its provisions have been satisfactorily adjusted in consultation with the Senator from Louisiana [Mr. ELLENDER], the Senator from Florida [Mr. HOLLAND], and other Senators.

The measure relates to the exemption of agricultural employees from the child labor provisions of the Fair Labor Standards Act.

Mr. WILLIAMS of New Jersey. Mr. President, the majority leader is correct. We spent the past week working on some of the questions raised in the colloquy last Friday, when the bill was discussed at that time.

Grave concern was expressed as to the strict liability provisions in the bill as reported by the committee. It was felt such provisions might cause inequities and create more problems than it would solve.

Out of the discussions, held particularly with the senior Senator from Florida, was evolved an idea for amendments that return to the legislation originally proposed in the bill as introduced in February of this year. Some other changes are in the amendments.

On behalf of myself and the Senator from North Dakota [Mr. BURDICK] and the Senator from New York [Mr. JAVRS] I send to the desk the amendments which express the understanding arrived at with the Senator from Florida.

The PRESIDING OFFICER. The question first is on agreeing to the committee amendment in the nature of a substitute.

Mr. HOLLAND. Mr. President, I would suggest that the committee amendments could be agreed to en bloc, with the understanding that we can then deal with the bill as an original measure.

The PRESIDING OFFICER. The committee amendment is in the nature of a substitute. If that amendment is agreed to, the bill could not be amended further.

Mr. HOLLAND. Except by unanimous consent, which I am suggesting, so that we could deal with the bill as an original measure. I am perfectly willing to have the Senate go into the discussion in any way my distinguished friend from New Jersey wishes. I was simply trying to simplify the procedure, as I viewed it.

Mr. WILLIAMS of New Jersey. Mr. President, I offer the amendments, for myself and the other Senators, as an amendment to the committee amendment in the nature of a substitute.

I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc. The amendments will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, after line 10, it is proposed to strike out:

"That section 12 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"(d) (1) Except as provided in paragraph (2), the employer of any employee under the age of eighteen who is (A) employed in agriculture, and (B) engaged in commerce or in the production of goods for commerce, shall (unless such employee is his own child or a child with respect to whom he stands in the place of a parent) be liable, regardless of fault, in money damages for disability or death of the child arising out of or in the course of such employment. The amount of damages under this subsection shall be arrived at in accordance with the law of the jurisdiction where the disability or death arose. The right of action provided an employee by this subsection shall survive to his parent, or, if he has no parent, to the person standing in place of the parent, or, if there is no such person, to his next of kin (jointly, if there is more than one). Nothing in this subsection shall take away any right or bar any remedy to which an employee is entitled under any other State or Federal law, but no claim may be asserted, or action brought, under this subsection for damages for any disability or death with respect to which a claim has been asserted under any other State or Federal law. No claim based on this subsection may be adjusted, settled, or discharged without the approval of a Federal court or State court of appropriate civil jurisdiction.

"(2) No claim will lie under this section on account of disability or death of an employee, if a workmen's compensation act of the State where the disability or death arose applied to such employee, and such employee is covered under such act, at the time the disability or death arose, whether or not the circumstances of the particular case are such as to permit recovery under such act."

On page 3, at the beginning of line 20, to strike out "Sec. 2. Section" and insert "That section"; in line 23, after the word "labor", to strike out "(other than subsection (d) thereof)".

On page 3, line 25, after the word "agriculture", insert the following: "(other than employment by an employer who is not the parent or a person standing in the place of the parent of the employee in an occupation which the Secretary of Labor finds and

declares to be particularly hazardous for the employment of children up to the age of eighteen years)".

On page 4, line 13, after the word "and" insert "(1)".

On page 4, line 15, after the word "parent" insert the following: "or (1) his parent or person standing in the place of his parent is also employed on the same farm".

On page 4, line 19, strike out "Sec. 3" and insert in lieu thereof "Sec. 2".

On page 4, line 20, strike out "January" and insert in lieu thereof "July".

Mr. MANSFIELD. Mr. President, if the amendments are agreeable to the Senator from Louisiana and the Senator from Florida, I suggest they be agreed to en bloc.

Mr. HOLLAND. I am certainly agreeable to that, but I should like to address some questions to the Senator from New Jersey.

I ask the Senator from New Jersey to yield to me so that I may propound some questions.

Mr. WILLIAMS of New Jersey. I am happy to yield to my friend from Florida.

Mr. HOLLAND. Do I correctly understand that the amendments as presented, if agreed to, would strike that part of the committee substitute which would have made agricultural employers of child laborers guarantors of the life and limb of their young employees without any necessity for the showing of any fault, if there were any injury or death sustained.

Mr. WILLIAMS of New Jersey. The bill as reported by the committee first provided for absolute or strict liability for any injury arising out of the employment of children.

It also provided that the liability could be discharged through workmen's compensation insurance or other forms.

We felt that probably more questions would be raised than answers would be given by that procedure. The amendments we have offered today strike the strict liability provisions, to which reference has been made.

Mr. HOLLAND. I thank the Senator. I state briefly for the RECORD that those of us who objected to the provision of the bill as reported, which has been mentioned by the Senator from New Jersey, realized it would have been quite reasonably applicable to the situation in some States in which employer's liability insurance is required of all employers, but it would not have been applicable to the situation in many States in which that requirement does not exist, and it would not have been possible of operation in certain States in which there is no provision for the inclusion of agricultural labor under workmen's compensation laws.

We appreciate the Senator's willingness to change that provision and to return to the other, under which, as I understand it, the Secretary of Labor will be permitted, by regulation, to prescribe those activities in agriculture which are hazardous; and, as to them, the bill would provide certain restrictions. Is that a correct understanding?

Mr. WILLIAMS of New Jersey. The bill would provide for the Secretary of Labor to find those occupations which are particularly hazardous, and those would be prohibited as to children covered under the bill. The approach was the original approach in the bill as first introduced. We went to the strict liability in conference with representatives of farm groups. After we had gone to the strict liability, and studied it further, certain problems became apparent. Now we have gone back to the measure which follows the regular industrial child labor findings of the Secretary as to particularly hazardous employment, to prohibit such employment.

Mr. HOLLAND. Is my understanding correct that the amendment would drop certain language which was in the original bill, which would have permitted the Secretary



to prescribe regulations covering not only what was particularly hazardous but also what might have affected, in his opinion, the health and general well-being of the children, it being our view that agricultural employment, unless it were particularly hazardous as a result of dangerous mechanisms used or the like, would be more healthful than otherwise for the children?

Mr. WILLIAMS of New Jersey. Yes. We have not included the term "detrimental to health or well-being," but have made the Secretary's finding go to particularly hazardous employment. The Senator from Florida and I have discussed this subject. I thought that with the expression "detrimental to health or well-being" it might well be that an administrator of the program, who may not be knowledgeable of the farm situation, might well think that work after 6 or 7 o'clock at night was not according to the well-being of the child. Those of us who have been close to farms in our lives know that frequently in harvesting fruits and vegetables a farmer cannot even begin until after the dew is off and the crop is dry. Then he must work until the sun sinks low on the horizon.

Mr. HOLLAND. Mr. President, I thank the Senator. I found him peculiarly kindly in his viewpoint toward the problem. It was the attitude of the Senator from Florida, the Senator from Kentucky [Mr. COOPER], the Senator from Louisiana [Mr. ELLENDER], and others, that employment of children in agriculture was very different from the employment of children in industry. Any effort to apply a strict hours rule would be entirely inappropriate, because when the tomatoes are ripe they must be picked. When the strawberries are ripe and the sun is shining they must be picked. If it is raining no one can work. So that any requirement of maximum or particular hours was obviously inapplicable to agriculture, whereas such regulation would be reasonably applicable in ordinary industry.

Mr. WILLIAMS of New Jersey. It is our feeling that we have given the Secretary the legislative equipment needed to prohibit the kind of hazardous employment that would bring youngsters near, for example, very dangerous machinery.

Mr. HOLLAND. For example, in the operation of a tractor, a haymaker, or similar dangerous machinery.

Mr. WILLIAMS of New Jersey. We have had examples of serious injuries and death resulting from the operation of a potato picker.

I agree with the Senator that there can be wholesome work on the farm. I look back with pleasure to pitching hay as a youngster on an Adirondack farm. At the time, it did not seem so much fun, I recall, but in retrospect, it was wholesome and educational, as well as productive work.

Mr. HOLLAND. Mr. President, may I comment that the extremely healthful appearance, the brightness of his eyes, and the general resourcefulness of the Senator from New Jersey may be the result in large part of his training on a farm as a youth.

Mr. WILLIAMS of New Jersey. I am grateful for that description.

Mr. HOLLAND. I understood that there were two additional changes upon which we agreed. Are they covered by the amendment which has been offered?

Mr. WILLIAMS of New Jersey. We permit the work of children 12 and 13 years of age, if the work is on farms in the neighborhood of within 25 miles of their home, with the written consent of their parent, or if their parent is employed on the same farm.

Mr. HOLLAND. In other words, to the provision of the bill as filed, which would require in certain cases written permission is added, as I understand, by the amendment, the provision that if the parent is with the child—which is so customarily the case with

migrant workers—that the presence of the parent will serve in lieu of, and as equally satisfactory to, the furnishing of written consent.

Mr. WILLIAMS of New Jersey. The Senator is absolutely correct.

Mr. HOLLAND. There was one other amendment which I understood would also be incorporated in the bill relative to the time of the effectiveness of this part of the measure.

Mr. WILLIAMS of New Jersey. Originally we proposed that the bill become effective January 1, 1962. Realizing that a considerable time will be required to advise the Nation and people affected by the legislation, the effective date would now be July 1, 1962.

Mr. HOLLAND. Mr. President, may I say again that I have found the Senator from New Jersey extremely cooperative, and while I would not want the record even remotely to indicate that I think the child labor provisions are ideally applicable to the employment of children on the farm—and I wish more of them were employed on the farms, for if they were, I think we would have less juvenile delinquency and less lack of health among children—at the same time I think the bill is much more reasonable now than was the reported measure. I think it will be livable. I think that considering the fact that the workmen's compensation laws and other provisions of the law of the various States are so different, and also customs in the various States are so different that the bill will lend itself to the desired purposes much better than the original would have. I wish to thank the Senator for his cooperation in the last week, when he has certainly worked diligently to try to get away from the objections which were voiced on the floor of the Senate last week.

Mr. WILLIAMS of New Jersey. I am very grateful to the senior Senator from Florida for his help and work in connection with this legislation.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a further explanation of the two migratory labor bills we have before us today.

There being no objection, the statements were ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. DOUGLAS. Mr. President, will the Senator yield to answer a question or two?

Mr. WILLIAMS of New Jersey. I yield.

Mr. DOUGLAS. There has been some discussion as to what the bill presents. I wonder if the Senator from New Jersey will summarize briefly what the bill would do so far as the protection of children is concerned.

Mr. WILLIAMS of New Jersey. As the Senator knows, under present law, after school hours a child of any age can work on a farm. There is no restriction at all on child labor in agriculture after school hours.

First, the bill closes, conditionally, the present agricultural child labor exemption respecting outside school hours work. The bill prohibits youngsters up to age 18 from working in any occupation found by the Secretary of Labor to be particularly hazardous. We would bring to bear a prohibition against all child labor for youngsters under 12. In other words, except for the parental exemption case, children below age 12 shall not be employed in agriculture. There is a considerable amount of that today. Accordingly, we do not have to think too long in order to realize the hazards and dangers involved.

Mr. DOUGLAS. May I ask about migratory children. As I understand, a great many States of the Union—perhaps, a majority of the States of the Union—either have no school facilities for such children or have very inadequate schools. In such States what are the provisions of the law with respect to children during school hours when such children, because of lack of facilities, are not able to attend?

Mr. WILLIAMS of New Jersey. The problem is a significant one. It results in two things. In many cases it results in illegal employment of youngsters who have absolutely nothing to do but linger around the camps without supervision because the father and mother quite frequently are working in the fields or the orchards.

As the Senator knows, last week the Senate passed a bill which would bring Federal aid for education of migratory youngsters during regular school periods by granting money to communities who take them into their regular schools. The bill also provided a program of summer schools for those communities who wish to use their idle schools to take in the migrant youngsters who are in the community for a few weeks.

We also have before the Senate Committee on Finance a bill to provide child care. The bill has the warm support of the chairman of the Finance Committee, the very able senior Senator from Virginia who has been most helpful and cooperative in our work on the problem. That program is designed for the preschool youngster. This combined package of educational and day-care measures can well fill the gap in empty lives. If youngsters cannot work, the best place I believe this particular group of youngsters can be is in the school or in the nursery.

Mr. DOUGLAS. That is true. But is it not true that in many States there is no obligation on nonresident children to attend school?

Mr. WILLIAMS of New Jersey. The Senator is correct. There are States that do not require mandatory school attendance of nonresident youngsters in the community. Through the bills I have referred to we hope to stimulate communities to accept their responsibilities in connection with this problem.

Mr. DOUGLAS. I thank the Senator.

Mr. COOPER. Mr. President, I join other Senators in congratulating the Senator from New Jersey on the work he has done to provide protection and better working conditions for minors on our farms. I am glad also that the Senator has taken steps to strike the provision which, if it had been adopted, would have made the farmer an insurer for an injury that might occur to a child even without negligence on the part of the farmer.

I should like to ask the Senator about the language of section 2, pages 3 and 4—for interpretation.

I refer particularly to subsection (A) which reads:

"(A) employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person."

I assume that the phrase "by a person standing in the place of his parent" is meant to embody the legal understanding of the phrase, familiarly referred to as "in loco parentis," as is interpreted in law.

Mr. WILLIAMS of New Jersey. Yes. The Senator is correct.

Mr. COOPER. One who provides for the child living with him, whatever the actual relationship may be, would be included. Is that the intention?

Mr. WILLIAMS of New Jersey. That is the intention and the purpose. I am sure the various States follow the definition of the term "in loco parentis."

Mr. COOPER. I read further: "employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person." Does the term "operated by" include—without excluding other—situations in which a part of the farm is leased, or rented upon shares by an individual, who does not own the farm?

Mr. WILLIAMS of New Jersey. It is our purpose to include that situation, where the operation is through tenancy or whatever the legal situation is, short of complete ownership. Where the youngster is close to his parents we feel that he has all the necessary protection, and that he will be properly cared for.

Mr. COOPER. My questions are for legislative history. A person who rents or leases all or a portion of a farm, or contracts to raise a particular crop, as I understand, would be included in the meaning of the word "operation." Is that correct?

Mr. WILLIAMS of New Jersey. That is correct.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. JAVITS. I merely wish to join the Senator from New Jersey, as I have done before. I join him in presenting the amendments, so that there will be no question about the fact that we are together on them. I believe we should understand what this legislation means, and why it was done. The whole country should understand that we are dealing with an area in which there is no regulation or no control of any kind now. This is the first time that something is being done, where in my opinion we are making a practical resolution of a very difficult problem. We saw its difficulties a week ago. Those who might say we should do more about it should realize that this is the first time anything has been done, and we hope it will prove effective. I wish to identify myself with the Senator from New Jersey, as I am the senior Republican on his committee, in putting forward this effort to get something done where nothing has been done up to now.

The PRESIDING OFFICER. The question is on agreeing to the amendments to the committee amendments.

The amendments to the committee amendments were agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

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

The title was amended, so as to read: "A bill to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes."

Mr. JAVITS. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. WILLIAMS of New Jersey. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I wish to compliment the Senator from New Jersey [Mr. WILLIAMS] for having five bills dealing with migratory labor passed during this year. That commendation also extends to the distinguished senior Senator from New York [Mr. JAVITS], the senior minority member of the committee.

While there are points on which all people can agree and disagree so far as this legislation is concerned, it does mark a step in the right direction. Again I wish to say that the Senator from New Jersey and the Senator from New York are entitled to commendation for what they have done.

The Senator from Florida [Mr. HOLLAND] and the Senator from Louisiana [Mr. ELLENDER] and other Senators are also to be commended for their understanding in trying to work out a reasonable and equitable solution which affects a section of our country.

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

Mr. MANSFIELD. I yield.

Mr. HOLLAND. The Senator from Kentucky [Mr. COOPER] was equally interested in these matters and was of assistance in working them out.

Mr. MANSFIELD. I was aware of the fact, but I overlooked it. So I doubly commend the Senator from Kentucky for his interest and activity on behalf of this type of legislation.

#### "EXHIBIT 1

##### "NEED FOR AND EXPLANATION OF S. 1132

"The bill, S. 1132, would establish a National Advisory Council on Migratory Labor. The purpose of the Council is to provide the national perspective and organization needed in meeting the problems of migratory farm labor.

"The Council would be a citizens' group with a balanced membership giving representation to the major parties concerned with migratory labor. The Council would study the problems of migratory labor and the programs and policies relating to those problems. The Council would advise the President and the Congress on such matters.

"Establishment of the Council is a vitally needed step in meeting the migratory labor problems of the Nation. Although during the past there have been many studies and investigations of the migratory labor situation, these efforts have been too scattered to meet the full range of problems surrounding the migratory farmworker and his family. This failure to act results, in large measure, from faulty communication and fragmented knowledge of these problems. There is still no complete, coherent picture of the migratory labor situation in its national context.

"Although the several groups at work in this area are competent in their individual functions, they cannot provide the overall coordination of effort that is essential to fully effective action. In both the public and private sectors of our society, representatives of organizations concerned with migratory farm labor have pointed out the serious need for a national and independent body to supplement their efforts.

"State migratory labor committees, about 30 in number, simply cannot cope effectively with problems which are predominantly interstate in nature. Federal study and administrative groups have operated at the Federal level but not on a truly national scale. These groups have tended to concentrate on particular problem areas rather than the total pattern of the migratory labor situation. Moreover, many of these groups, being inherently tied to the political process, have, too often, been unable to deal objectively with controversial issues. The many private organizations concerned with migratory labor are not able, even in the aggregate, to provide national perspective and organization.

"The National Advisory Council on Migratory Labor would be able to evaluate and encourage efforts in the public and private sectors. It would not duplicate the work of present groups—indeed, these groups are the strongest supporters of the Council. In short, the Council would stimulate the best thinking of our citizens and help to provide a better understanding of conditions, needs, and long-range solutions relating to migratory labor problems.

"The administration strongly supports this legislation. The bill has also been endorsed by officials of State governments and by private organizations and individuals with special knowledge of problems in this area.

"The need for the legislation is clear: we can no longer neglect the problems facing the migratory worker and his family. I, therefore, hope that this bill will soon be-

come part of our public laws in order that migratory labor problems will receive the objective, systematic, and sustained attention that is essential to feasible solutions.

##### "NEED FOR AND EXPLANATION OF S. 1123

"The purpose of the legislation, S. 1123, is to curb harmful child labor which exists today extensively in outside-school-hours agricultural employment. In more than 2 years study of this problem, with my colleagues on the Subcommittee on Migratory Labor, I have become convinced of the vital need for Federal legislation in this area. Only with Federal legislation can we correct the present situation in agricultural child employment, which we know interrupts and retards the educational progress of a large number of children each year, and all too frequently places their very lives in jeopardy in working around dangerous machinery.

"The reason for these conditions is found in the present state of the child labor law. This law—that is, the child-labor provisions of the Fair Labor Standards Act of 1938—presently prohibits children under 16 from engaging in agricultural work during regular school hours; however, there is a complete exemption for agricultural work outside regular school hours. Consequently, during nonschool hours children of any age—even 5, 6, or 7—may work long hours in the fields under the present Federal law.

"As was stated on the floor on Friday of last week, the proponents of the pending legislation do not intend to belabor the humanitarian aspects of this problem. I would, however, cite evidence to show the nature and number of injuries sustained by young children which can be avoided by enactment of this legislation.

"As we strive to reach the most effective remedy to this problem, let us remember that the safety of children is the paramount concern—the elements of convenience or economic gain involved in child labor cannot be the fact.

"Let us not forget this.

"Let's take a look at what these injuries mean in their totality. A report on the extent of injuries nationally, supplied to the subcommittee by the Public Health Service, estimates that for the period July 1959 through June 1960, 1,981,000 rural farm children under age 17 sustained injuries.

"This estimate includes only persons injured to the extent that they either had to reduce their normal activities or required medical care. The Public Health Service also estimated that 595,000 of these injured children lost time from school, totaling about 3,100,000 schooldays lost. The data supplied by the Public Health Service is included in the RECORD at this point:

"August 20, 1961.

"To: Senate Subcommittee on Migratory Labor, Senate Office Building.

"From: F. S. Lawrence, D. Sc., Public Health Service.

"Subject: Estimates relating to rural farm children under age 17.

"The following figures are estimates relating to rural farm children under age 17 (0 to 16 years) in the noninstitutional population of the United States in the year July 1959 through June 1960: population, 8,359,000; persons injured, 1,981,000; females, 995,000; males, 986,000; under age 5, 539,000; ages 5 to 16, 1,442,000.

"These estimates include only persons injured to the extent that they either had to reduce their normal activities or required medical care. About 1,571,000 of these children aged 0 to 16 required medical care for their injuries. Approximately 700,000 rural farm children were injured in the home or nearby yard. It is estimated that 595,000 of these injured children lost time from school, totaling about 3,100,000 schooldays lost.



"The above figures are based upon household interviews which included about 6,500 rural farm children in the sample. Because of the probable error due to sampling we cannot provide figures in greater detail than the magnitudes shown."

"Here is additional evidence of need for this legislation. It comes from Good Housekeeping magazine, November 1960.

"The Good Housekeeping article cites these reports received by the National Child Labor Committee from ministers, teachers, and parents all over the country who were asked to survey child labor practices in their regions:

"From Lewisburg, Pa.: 'I have seen children as young as 7 working the field alongside adults. They are there at 7 a.m. and as late as 5 p.m., a matter of 10 hours, in the heat and dust of the fields.'

"From Sturgeon Bay, Wis.: 'We provide [summer] day schools for children. \* \* \* We have learned from experience that it is no use preparing for children who are old enough to be in fourth grade because anyone that old or older will be out in the orchards picking cherries.'

"From San Jose, Calif.: 'I am aware of scores of children as young as 4 and 5 who work far too many hours in the hot sun without rest periods \* \* \* sanitary drinking water \* \* \* restrooms \* \* \*'

"There is a clear, urgent need to correct these conditions. We must stop injuries which maim children, sometimes for life. We must also ease the stifling burden of those who are not injured but who work—in all too many cases—in tasks that are extremely arduous, even for an adult.

"The pending legislation does not affect the present law concerning agricultural work during school hours. The legislation concerns only the current exemption from the Fair Labor Standards Act which allows unlimited child labor in agriculture outside school hours.

"The pending legislation closes this exemption conditionally; it would allow a child to be employed in agricultural work outside of school hours under the following three conditions:

"1. If he is employed by his parents on the home farm; or

"2. If he is 14 years of age or over; or

"3. If he is between 12 and 14 years of age and works within 25 miles of his home with the written consent of his parents or his parent is employed on the same farm.

"Under these provisions, beneficial employment would be encouraged by allowing the child to work on his home farm or on a nearby farm with his parents' permission. Similarly, as expressly stated in the committee report, this legislation would not interfere with the beneficial activities of such organizations as 4-H Clubs, Future Farmers of America, and charitable fresh air funds.

"The administration has strongly recommended the enactment of legislation to protect children employed in agriculture outside regular school hours. In testifying before the Senate Subcommittee on Migratory Labor on April 12, 1961, Secretary of Labor Arthur J. Goldberg summarized the need for legislation on this subject in these terms:

"Our records indicate very clearly the strong necessity for a measure of this character. In order to provide for the health, the safety, and the welfare of children, it is necessary that we eliminate the present exemption which permits the employment of children of any age outside of school hours in agriculture."

"The inadequacies of the present Federal law have resulted in extensive use of child labor in agriculture. According to a special U.S. census survey, it is estimated that 730,000 children 10 to 18 years of age were employed in 1959 as paid workers in agriculture. Of this number, 457,000 were 10 to

15 years of age; more than one-half of this group were 10 to 13 years of age.

"Migratory children, who comprise a significant segment of the children covered by the 1959 special census, are subjected to the most arduous conditions. The most common reason for their employment is the low wage of the breadwinner of the family. Averaging under \$1,000 a year, this wage is not sufficient to pay minimum family expenses. Consequently, every available child works.

"We know, however, that child labor in agriculture does not really solve the migrant family's low income problem. Instead, the employment of children has the long-range effect of depressing the general wage level, which further complicates the income problem. The proper goal, then, is to look to the future needs of these children and to help them avoid premature work in the fields. In that way, a large step will have been taken to give them the opportunity for a more worthwhile and productive adult working life.

"The strengthening of the provisions of the child labor law will supplement work currently being done in the area of education and day-care facilities. It will also help bring into focus the needs in related child welfare areas and serve to stimulate State, local, and voluntary efforts to provide necessary facilities and opportunities.

"The fragmentary nature of existing State legislation has failed to provide a meaningful solution to the problems raised by child labor in agriculture. Twenty States have no minimum age for the employment of children in agriculture. Other States have only partial coverage.

"The absence of national action with respect to agricultural employment of children outside of regular school hours continues to endanger the safety, health, and welfare of children engaged in farm labor. I hope the Congress will proceed to correct this deficiency and protect this vital segment of our Nation's youth."

Mr. MORSE. Madam President, that debate was not long; and it will be noted that there was no debate in regard to the particular points I am raising in the course of this speech. I believe it is a fact that at the time when the bill was passed—and it was passed on a voice vote, after a very, very brief presentation in the Senate—the problems which subsequently have arisen in connection with the bill were not taken cognizance of, for the simple reason that at the time we were not then aware of them. But we have now been made aware of them, and I think we now have the responsibility of doing what we can to take necessary corrective action.

As I have stated, the bill is now in the House Rules Committee. If a rule is given it, it will be before the House in the near future. I surmise that it may be modified in some respects prior to House passage. Most legislation, even noncontroversial legislation, is perfected as it passes either body. If this course is followed, then I anticipate that the conference procedure will be invoked.

My remarks are therefore directed to that eventuality. A review of the evidence which I have discussed briefly today leads me to think that it might be possible, in conference, to perfect further the bill in such a manner as to retain the very worthwhile safeguards to the health and safety of farm children, while still not closing the door to useful employment by them.

Madam President, I think it very important to allow youngsters to learn the value of work and money through honest labor. I feel that if more opportunities for honest work for boys and girls are made available throughout our country, it would be a very good thing.

It occurred to me, therefore, that a modification of S. 1123 which would state, in effect, that nothing in the bill shall be construed to prevent a child over the age of 9 years from assisting in handwork harvest of berries, fruits, and vegetables for a period of 6 hours in any workday at times when school is not in session, if the minor has the written consent of his parents or his legal guardian, might be a worthwhile improvement.

Note that I specifically mention handwork. This would preclude the operation of machinery which is the source of most accidents. I also specify a 6-hour limit. This will prevent the fatigue problem which worries the medical men. Note that I specify written consent of the parent. This will assure that parental knowledge and control are maintained. With these safeguards, I feel that the 25-mile-radius limitation might even be modified, since in our country the commuting distance from a small town to a large truck farm or fruit farm is in many instances beyond this distance.

I should think a distance of some 35 miles, but certainly with a 50-mile maximum, could be substituted for the 25-mile-radius limitation.

Madam President, let me say that many persons do not understand the esprit de corps which develops among the youth groups which participate in our farm harvests. They have great recreational programs, even including baseball teams that are formed, and sometimes there is great rivalry between the crew on the Diamond Ranch and the crew on the Pearl Ranch. This is part of the vacation life of hundreds and hundreds of boys and girls, Madam President; and I think we need to consider the totality of the situation before we arbitrarily follow the course of action which I respectfully submit was followed in Senate bill 1123.

Madam President, I have made this statement today because I am concerned to see to it that the honestly held convictions of many, many Oregonians are given the consideration by the Congress which they should receive. I further wished to discuss the matter in order to give fair notice, through the RECORD, that I shall bring this suggestion to the attention of the conference committee on S. 1123.

Madam President, I yield the floor; and I thank the acting majority leader [Mr. SMATHERS] for making it possible for me to make this speech at the beginning of the session today.

EXHIBIT 1

SALEM, OREG.,  
July 3, 1962.

DEAR HON. SENATOR WAYNE MORSE: In comment to the discussion on the harvesting of crops in the Willamette Valley by children under 14 years of age I have written this letter.

I am Mary Beth Harris and am 13 years of age. I have picked strawberries for 2 years and beans for 1 year. The money I have earned I have either put in my savings account or spent on my school clothes.

Sincerely,

MARY BETH HARRIS.

P.S.—I've asked my parents to sign this letter.

Mrs. MILE C. HARRIS.  
MILE C. HARRIS.

SALEM, OREG.,  
July 4, 1962.

DEAR HON. SENATOR WAYNE MORSE: The pickers of Mr. Plyler's platoon are learning easier and faster methods of picking beans and berries.

Picking teaches us to be thrifty and industrious at an early age.

We not only have fun out there, but we see our old school friends and make new ones.

When we come home from picking we never run out of spare time for fishing, boating, swimming, bicycle riding, horseback riding, and to work on our hobbies.

Sincerely,

DAVID HARRIS.

P.S.—I have asked mother and father to sign this, too.

MILE C. HARRIS.  
ETHEL RAE HARRIS.

SALEM, OREG.,  
July 4, 1962.

DEAR HON. SENATOR MORSE: I'm a boy of 13 and hold a job as a berrypicker. I've made over \$110 last year which has helped me a great deal.

Please tell the other Senators in Washington to not prevent the children of Oregon from enjoying and profiting from picking crops in Oregon.

Sincerely yours,

BOB PLYLER.

SALEM, OREG.,  
July 4, 1962.

DEAR HON. SENATOR MORSE: I'm a girl of 16 and I've worked picking berries and beans for 5 years. Passing the child labor law could not hurt me now, but I'm thinking of the children this would affect. Picking is the only source of income for the younger boys and girls. Younger kids working like that gain responsibility and a great sense of personal accomplishment.

This year I was fortunate enough to get a job punching tickets in the berry field. My twin brothers are 15 and have a job laying pipes. My other brothers are too young for these jobs now but pick berries to compensate for not being old enough.

Last year I put quite a lot of money into a trust fund and my cousin bought a piece of land.

I'd always enjoyed picking and it was strictly voluntary on my part. Along with earning money children have the companionship of others. Please do what you can to help those which this letter concerns. I don't feel that the children have had enough say in the matter.

Respectfully yours,

MISS CAROL PLYLER.

P.S.—I've had my father sign on the back.

ROY E. PLYLER.

JULY 3, 1962.

DEAR MR. MORSE: I am 13 years of age, and this is my second year of picking. Before I lived in Salem I had nothing to do besides being bored. After I picked berries and beans last year I found out how privileged the kids were that lived in the Willamette Valley to be able to pick. Last year I made \$110 in berries and beans. I've already made \$90 in berries alone this year.

There are a lot of kids younger than I am that are looking forward to picking. With the money they earn they buy their own school clothes, put money in the bank, and still have some left over for spending money.

I hope that you will do all that you can in your power to prevent this law from passing.

Sincerely yours,

KATHY KROLL.

P.S.—My parents are also against this law; very much so.

BILL WILKENS.  
Mrs. BILL WILKENS.

DEAR SENATOR MORSE: I was inspired to write this note when our platoon was told by our boss, Mr. Plyler, that kids under 14 may not be able to pick next year because of a law.

If the men in Washington only knew what good this job was they would heartily agree with me, of this I am sure.

This law really won't effect me as I'll be 16 in January, but to many children it means a way to get school clothes, a college education, a car or other things necessary to them. Many make as much as a hundred dollars or more just in the strawberry season.

Another good reason is because of the transient workers that will come in more if this law is passed. Even now every summer you read about people being killed or assaulted by some drunk transient. All these corrupt doings would really harm our city of Salem.

Sincerely,

KAREN KROLL.

Parents: Mrs. Bill Wilkens, Bill Wilkens.

DEAR SENATOR MORSE: I think this law which is being considered is very wrong. If it is passed the farmers will lose money and the kids which work for them will not have money for school and clothes.

This year I worked in berries and I am going to work in beans. I did this so I can go to my school. The money I earn will go for my tuition and books. This money I earned also gave me spending money for this summer.

I hope that this law will never be passed. For if it is many people will lose work and money.

Sincerely yours,

CHRIS WILKENS.

P.S.—My parents also agree with me.  
Mrs. BILL WILKENS.  
BILL WILKENS.

#### EXECUTIVE SESSION

Mr. SMATHERS. Madam President, I move that the Senate proceed to the consideration of executive business, to consider certain of the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair) 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.)

The PRESIDING OFFICER. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

#### NOMINATION PASSED OVER

The legislative clerk read the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Mr. SMATHERS. Madam President, I ask that this nomination be temporarily passed over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

#### U.S. PATENT OFFICE

The legislative clerk read the nomination of Manuel C. Rosa, of Virginia, to be an examiner in chief in the U.S. Patent Office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### U.S. DISTRICT JUDGE

The legislative clerk read the nomination of Louis Rosenberg, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. SMATHERS. Madam President, I ask unanimous consent that the President be immediately notified of these confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

#### LEGISLATIVE SESSION

Mr. SMATHERS. Madam President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

#### AUTHORIZATION OF APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. SMATHERS. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1593, House bill 11737, the so-called NASA authorization bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities, and for other purposes, which had been reported from the Committee on Aeronautical and Space Sciences, with an amendment to strike out all after the enacting clause and insert:

That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration the sum of \$3,749,515,250, as follows:

(a) For "Research, development, and operation", \$2,958,278,000.



(b) For "Construction of facilities", \$791,237,250, as follows:

(1) Ames Research Center, Moffett Field, California, \$14,439,000.

(2) Atlantic Missile Range, Cape Canaveral, Florida, including land acquisition and relocation of inland waterway and bridge, \$331,333,000.

(3) Facility planning and design not otherwise provided for, \$10,000,000.

(4) Flight Research Center, Edwards, California, \$1,807,000.

(5) Goddard Space Flight Center, Greenbelt, Maryland, \$23,746,250.

(6) Jet Propulsion Laboratory, Pasadena, California, \$10,347,000.

(7) Langley Research Center, Hampton, Virginia, \$8,081,000.

(8) Lewis Research Center, Cleveland, Ohio, \$44,833,000.

(9) Manned Spacecraft Center, Houston, Texas, \$30,755,000.

(10) Marshall Space Flight Center, Huntsville, Alabama, \$33,431,500.

(11) Michoud Plant, New Orleans, Louisiana, \$18,400,000.

(12) Mississippi Test Facility, Mississippi, \$92,500,000.

(13) Nuclear Rocket Development Station, Nevada, \$40,000,000.

(14) Various locations, \$127,278,750.

(15) Wallops Station, Wallops Island, Virginia, \$4,285,750.

(c) Appropriations for "Research, development, and operation" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required for the performance of research and development contracts, and (ii) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research, development, and operation" pursuant to this Act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds \$250,000, unless the Administrator or his designee notifies the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

(d) When so specified in an appropriation Act any amount appropriated for "Research, development, and operation" and for "Construction of facilities" may remain available without fiscal year limitation.

(e) Appropriations other than "Construction of facilities" may be used, but not to exceed \$35,000, for scientific consultations or extraordinary expense upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(f) Until such time as the National Aeronautics and Space Administration shall establish uniform design criteria and construction standards for facilities for which appropriations are authorized pursuant to this Act, the National Aeronautics and Space Administration shall to the fullest extent practicable utilize for such facilities design criteria and construction standards established either by the General Services Administration, the United States Navy Bureau of

Yards and Docks, or the United States Army Corps of Engineers.

Sec. 2. Authorization is hereby granted whereby any of the amounts prescribed in subparagraph (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), or (15) of subsection 1(b) may, in the discretion of the Administrator of the National Aeronautics and Space Administration, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work authorized under such subparagraphs shall not exceed a total of \$791,237,250.

Sec. 3. Not to exceed 3 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with \$30,000,000 of the funds appropriated pursuant to subsection 1(b) hereof, shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations until the Administrator or his designee has transmitted to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof, including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest. No such funds may be used for any construction, expansion, or modification if authorization for such construction, expansion, or modification previously has been denied by the Congress.

Sec. 4. The Administrator is hereby authorized to transfer, with the approval of the Bureau of the Budget, funds appropriated pursuant to this Act, to any other agency of the Government whenever the Administrator determines such transfer necessary for the efficient accomplishment of the objectives for which the funds have been appropriated. Not more than \$20,000,000 of the funds authorized by this Act may be transferred by the Administrator under this section, and no transfer in excess of \$250,000 shall be made under this section unless the Administrator has transmitted to the Committee on Aeronautical and Space Sciences of the Senate and to the Committee on Science and Astronautics of the House of Representatives a written statement concerning the amount and purpose of, and the reason for, such transfer, and (1) each such committee has transmitted to the Administrator written notice to the effect that such committee has no objection to that transfer, or (2) thirty days have passed after the transmittal by the Administrator of such statement to those committees.

Sec. 5. (a) Section 1 of the Act of July 21, 1961 (75 Stat. 216), is amended as follows:

(1) Strike out "\$1,784,300,000" in the first sentence, and insert in lieu thereof "\$1,855,300,000";

(ii) Strike out "\$252,075,000" in subsection (c), and insert in lieu thereof "\$323,075,000";

(iii) Strike out "\$49,583,000" in paragraph (c) (8), and insert in lieu thereof "including land acquisition, \$104,583,000"; add a new paragraph after paragraph (c) (11) as follows:

"(12) Land acquisition, Mississippi Test Facility, Mississippi, \$16,000,000."

(iv) At the end of subsection (c) insert the following new paragraph:

"Real estate acquired by the United States for the use of the National Aeronautics and Space Administration pursuant to this subsection shall remain under the control and jurisdiction of that Administration, unless it is disposed of in accordance with the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended."

(b) Section 2 of the Act of July 21, 1961 (75 Stat. 216, 217), is amended (1) by striking out "or (11)" and inserting in lieu thereof "(11), or (12)", and (2) by striking out "\$252,075,000" and inserting in lieu thereof "\$323,075,000".

(c) In computing the amounts which may, under the authority of section 3 of the Act of July 21, 1961 (75 Stat. 216, 217), be transferred and/or used for purposes set forth in said section, there may be disregarded any amounts so transferred and/or used for land acquisitions at the Atlantic Missile Range, Cape Canaveral, Florida, and the Mississippi Test Facility, Mississippi, which have been reported to the Congress, in accordance with the provisions of said section, prior to the enactment of this Act.

Sec. 6. Section 203(b) of the National Aeronautics and Space Act of 1958, as amended (72 Stat. 429, 431), is amended by (i) striking out the word "and" where it appears after the semicolon at the end of section 203(b) (12); (ii) striking out the period at the end of section 203(b) (13) and inserting in lieu thereof a semicolon and the word "and"; and (iii) adding at the end thereof the following new paragraph:

"(14) to reimburse, to the extent determined by the Administrator or his designee to be fair and reasonable, the owners and tenants of land and interests in land acquired on or after November 1, 1961, by the United States for use by the Administration by purchase, condemnation, or otherwise for expenses and losses and damages incurred by such owners and tenants as a direct result of moving themselves, their families, and their possessions because of said acquisition. Such reimbursement shall be in addition to, but not in duplication of, any payments that may otherwise be authorized by law to be made to such owners and tenants. The total of any such reimbursement to any owner or tenant shall in no event exceed 25 per centum of the fair value, as determined by the Administrator, of the parcel of land or interest in land to which the reimbursement is related. No payment under this paragraph shall be made unless application therefor, supported by an itemized statement of the expenses, losses, and damages incurred, is submitted to the Administrator within one year from (a) the date upon which the parcel of land or interest in land is to be vacated under agreement with the Government by the owner or tenant or pursuant to law, including but not limited to, an order of a court, or (b) the date upon which the parcel of land or interest in the land involved is vacated, whichever first occurs. The Administrator may perform any and all acts and make such rules and regulations as he deems necessary and proper for the purpose of carrying out this paragraph. All functions performed under this paragraph shall be exempt from the operation of the Act of June 11, 1946, as amended (5 U.S.C. 1001-1011), except as to the requirements of section 3

of said Act. Funds available to the Administration for the acquisition of real property or interests therein shall also be available for carrying out this paragraph.

SEC. 7. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act for the fiscal year 1963".

#### PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

##### LET'S NOT BE STAMPEDED ON MEDICARE

Mr. BENNETT. Madam President, no bill which Congress will consider this year will have anywhere near the far-reaching effects of the proposal for medical care to the aged through social security. If we abandon the present system, the Kerr-Mills Act, and substitute the Anderson approach, we will be making a permanent and drastic change in the social security program which will affect Americans for generations to come.

I should like to discuss two things today. First is the overall effect of the social security approach. Second is the danger of enacting the Anderson amendment as a result of hasty floor consideration, without giving this highly complex and very controversial amendment the benefit of full committee hearings.

Recently, the Senator from New Mexico [Mr. ANDERSON] told the Senate—and I am quoting now from the CONGRESSIONAL RECORD—that "unless favorable action is taken now, health insurance could become a major issue in the fall elections."

I argue with his selection of the word "could." The fact is, social security financing of health care for the aged is a major issue as of this moment, and it will be an issue in the fall elections regardless of what happens to the distinguished Senator's amendment.

If this were not a major issue, it would not be for lack of trying. On no other subject has the administration demonstrated more forcibly its desire to drive—not lead—the Congress.

For months on end, administration officials have shuttled back and forth across the United States, lobbying social security medicine at the taxpayers' expense. Pamphlets have been pub-

lished on the subject by the Department of Health, Education, and Welfare. Cabinet officials have journeyed throughout the Nation in order to speak at rallies organized to campaign for the King-Anderson bill.

Within the White House itself a special unit of government employees was set up to thump the tubs for the King-Anderson proposal—through television and radio scripts, the drafting of advertisements, and the production of press releases. President Kennedy himself addressed the Nation in support of this legislation from Madison Square Garden.

To this concerted effort must be added the relentless pressure of labor organized campaigns throughout the country, the steady pounding of the labor press and radio stations, the stimulation of letters to Congress, the employment of labor leaders as speakers before King-Anderson rallies, and so on.

##### PRESSURE ON CONGRESS

All of this campaigning had one purpose: to impress Congress with the political rewards or penalties involved in dealing with this legislation.

Yet, did a groundswell of national support for King-Anderson develop?

I am convinced that it did not, despite the calculated oversimplification, hard sell, distortion, and sometimes untruth developed in this massive public relations campaign. What groundswell developed was, in my view, largely synthetic. I base that appraisal on the mail I have received from my constituents and from the reports I have had from other Senators.

Letters to Congress more often oppose the King-Anderson concept than they support it. Further, when Members of Congress have polled their districts on the subject of using the social security mechanism to provide health care for the aged, their findings have borne out my statement.

Some 52 polls had been reported in the CONGRESSIONAL RECORD up to and including June 23 of this year. Of these, which included more than 600,000 replies, 33 polls opposed the use of the social security mechanism and 19 favored it.

Breaking this down, 334,339 individuals opposed the use of the social security mechanism; 241,383 favored it; and the remaining 39,502 had no opinion. Stated in percentages, the tabula-

tion shows 54.4 percent opposed; 39.2 percent in favor; and 6.4 percent with no opinion.

Excluding those with no opinion, the percentage in opposition to the use of the social security mechanism would be 58 percent, with those in favor 42 percent.

Madam President, I ask unanimous consent to insert the tabulation of these polls at this point in the RECORD.

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

The following report of public opinion concerning the use of the social security mechanism to provide health care to the aged is based on polls conducted by Members of Congress in their districts and reported in the CONGRESSIONAL RECORD during the 87th Congress, up to and including June 23, 1962. Where the Congressman has reported two polls concerning this question, the latest poll has been used. Where the poll has not reported the number of responses received, the information was elicited from the Congressman's office.

Of the 52<sup>1</sup> polls, which included 615,284 responses, in this tabulation, 33 opposed the use of the social security mechanism and 19 favored it—334,399 individuals opposed the use of the social security mechanism, 241,383 favored it, and the remaining 39,502 had no opinion. Stated in percentages, the tabulation showed 54.4 percent opposed the use of the social security mechanism, 39.2 percent favored it, and 6.4 percent had no opinion.

If those with no opinion are excluded, the percentage in opposition to the use of the social security mechanism would be 58 percent. The percentage of those favoring would be 42 percent.

While the results of these polls are in dispute with the recent Gallup poll, they tend to confirm that poll's finding of a reduction in the number of people supporting the President's plan. Of the 10 Congressmen reporting polls in 1961 and 1962, the 1962 poll shows an increase in opposition to the use of the social security mechanism in 8 districts.

<sup>1</sup> Two polls reported in the CONGRESSIONAL RECORD are not included in this tabulation. The question posed by Mr. McDONOUGH, Republican, of the 15th District of California, is such that the support or opposition to the use of the social security mechanism cannot be determined. However, Mr. McDONOUGH interpreted the results as being in opposition.

The question posed by Mr. AVERY, Republican, of the First District of Kansas, concerned the financing of medical care by 3 mutually exclusive mechanisms. The largest single vote (44 percent) opposed any Federal participation in health care for the aged.

Public opinion on the use of the social security mechanism to finance health care for the aged as tabulated from congressional polls during the 87th Cong.

	For	Against	No opinion		For	Against	No opinion
1. Alger (Republican), Texas—5th District, Congressional Record, June 14, 1962, p. 10596.....	1,890	25,760	350	9. Broyhill (Republican), Virginia—10th District, Congressional Record, Mar. 19, 1962, p. 4539.....	4,528	10,064	1,408
2. Ashbrook (Republican), Ohio—17th District, Congressional Record, vol. 107, pt. 8, p. 10108.....	2,019	9,718	883	10. Chamberlain (Republican), Michigan—6th District, Congressional Record, Apr. 11, 1962, p. 6411.....	7,800	12,200	.....
3. Baldwin (Republican), California—6th District, Congressional Record, Mar. 26, 1962, p. 5064.....	15,609	6,638	1,752	11. Church (Republican), Illinois—13th District, Congressional Record, May 22, 1962, p. 8962.....	2,541	7,505	3,260
4. Beall (Republican), Maryland—Senator, Congressional Record, May 4, 1962, p. 7815.....	335	1,608	290	12. Cohelan (Democrat), California—7th District, Congressional Record, June 20, 1962, p. 11247.....	10,659	5,338	1,003
5. Berry (Republican), South Dakota—2d District, Congressional Record, Mar. 15, 1962, p. 4332.....	1,024	5,376	.....	13. Collier (Republican), Illinois—10th District, Congressional Record, vol. 107, pt. 6, p. 7265.....	2,700	5,310	990
6. Bolton (Republican), Ohio—22d District, Congressional Record, Mar. 5, 1962, p. 3464.....	8,295	6,015	690	14. Conte (Republican), Massachusetts—1st District, Congressional Record, June 12, 1962, p. 10299.....	817	1,233	500
7. Brademas (Democrat), Indiana—3d District, Congressional Record, May 31, 1962, p. 9561.....	10,811	7,429	760	15. Corbett (Republican), Pennsylvania—29th District, Congressional Record, Mar. 15, 1962, p. 4334.....	9,856	7,744	.....
8. Bray (Republican), Indiana—7th District, Congressional Record, June 12, 1962, p. 10186.....	4,200	9,520	280	16. Derwinski (Republican), Illinois—4th District, Congressional Record, May 14, 1962, p. 8278.....	7,920	21,780	3,300



Public opinion on the use of the social security mechanism to finance health care for the aged as tabulated from congressional polls during the 87th Cong.—Continued

	For	Against	No opinion		For	Against	No opinion
17. Devine (Republican), Ohio—12th District, Congressional Record, Mar. 29, 1962, p. 5505.....	1,352	4,454	511	35. Minshall (Republican), Ohio—23d District, Congressional Record, Apr. 18, 1962, p. 6991.....	9,960	8,900	1,120
18. Findley (Republican), Illinois—20th District, Congressional Record, Mar. 28, 1962, p. 5356.....	3,395	5,607	-----	36. Monagan (Democrat), Connecticut—5th District, Congressional Record, Apr. 17, 1962, p. 6883.....	957	504	334
19. Fisher (Democrat), Texas—21st District, Congressional Record, Apr. 17, 1962, p. 6886.....	2,799	11,317	882	37. Moorehead (Republican), Ohio—15th District, Congressional Record, June 4, 1962, p. 9624.....	1,221	3,828	451
20. Frelinghuysen (Republican), New Jersey—5th District, Congressional Record, vol. 107, pt. 7, p. 8870.....	4,240	3,120	640	38. Ostertag (Republican), New York—39th District, Congressional Record, Apr. 19, 1962, p. 7107.....	2,673	3,510	515
21. Gathings (Democrat), Arkansas—1st District, Congressional Record, vol. 107, pt. 6, p. 7572.....	480	960	60	39. Pelly (Republican), Washington—1st District, Congressional Record, Apr. 11, 1962, p. 6425.....	4,042	4,423	531
22. Hall (Republican), Missouri—7th District, Congressional Record, Apr. 16, 1962, p. 6736.....	2,148	8,688	1,164	40. Pillion (Republican), New York—42d District, Congressional Record, Apr. 18, 1962, p. 6986.....	2,774	3,389	-----
23. Harvey (Republican), Indiana—10th District, daily Congressional Record, May 3, 1962, p. A3286.....	456	1,387	72	41. Pirnie (Republican), New York—34th District, Congressional Record, May 14, 1962, p. 8361.....	4,623	5,363	1,048
24. Harvey (Republican), Michigan—8th District, Congressional Record, June 18, 1962, p. 10928.....	1,407	2,823	1,471	42. Proxmire (Democrat), Wisconsin—Senator, Congressional Record, vol. 107, pt. 15, p. 19965.....	1,202	798	-----
25. Hiestand (Republican), California—21st District, Congressional Record, May 2, 1962, p. 8248.....	5,400	10,800	1,800	43. Rogers (Democrat), Florida—6th District, Congressional Record, vol. 107, pt. 6, p. 6994.....	26,612	21,774	-----
26. Hosmer (Republican), California—18th District, Congressional Record, vol. 107, pt. 9, p. 11343.....	4,240	3,280	480	44. Santangelo (Democrat), New York—18th District, Congressional Record, vol. 107, pt. 6, p. 7260.....	3,700	1,300	-----
27. Kastenmeier (Democrat), Wisconsin—2d District, Congressional Record, Apr. 19, 1962, p. 7110.....	1,777	1,412	-----	45. Schneebeli (Republican), Pennsylvania—17th District, Congressional Record, May 1, 1962, p. 7474.....	2,200	4,300	3,500
28. Langen (Republican), Minnesota—9th District, Congressional Record, May 2, 1962, p. 7531.....	2,178	6,435	1,287	46. Shriver (Republican), Kansas—4th District, Congressional Record, vol. 107, pt. 11, p. 14311.....	884	1,870	145
29. Latta (Republican), Ohio—5th District, Congressional Record, vol. 107, pt. 8, p. 10896.....	1,470	5,530	-----	47. Stratton (Democrat), New York—32d District, Congressional Record, vol. 107, pt. 10, p. 13134.....	7,070	2,270	660
30. MacGregor (Republican), Minnesota—3d District, Congressional Record, Jan. 10, 1962, p. 49.....	4,044	6,072	1,884	48. Toll (Democrat), Pennsylvania—6th District, Congressional Record, June 22, 1962, p. 11441.....	2,250	672	78
31. Martin (Republican), Nebraska—4th District, Congressional Record, vol. 107, pt. 9, p. 11953.....	2,240	16,200	1,400	49. Tollefson (Republican), Washington—6th District, Congressional Record, vol. 107, pt. 5, p. 6633.....	7,488	3,861	351
32. Mathias (Republican), Maryland—6th District, Congressional Record, June 13, 1962, p. 10462.....	1,400	2,440	160	50. Van Zandt (Republican), Pennsylvania—20th District, Congressional Record, Jan. 23, 1962, p. 811.....	863	1,731	-----
33. May (Republican), Washington—4th District, Congressional Record, Feb. 26, 1962, p. 2977.....	7,204	10,903	1,362	51. Widnall (Republican), New Jersey—7th District, Congressional Record, vol. 107, pt. 12, p. 16993.....	7,500	4,500	-----
34. Miller, Clem (Democrat), California—1st District, Congressional Record, vol. 107, pt. 16, p. 21691.....	8,330	7,140	1,530	52. Wilson (Republican), California—30th District, Congressional Record, vol. 107, pt. 15, p. 19578.....	9,800	9,600	600
				Total.....	241,383	334,399	39,502

Mr. BENNETT. Also, Madam President, I ask unanimous consent to insert the latest Gallup poll entitled "Medicare Support Drops," taken from the Chicago Sun-Times, July 1, 1962.

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

**KENNEDY MEDICARE SUPPORT DROPS**

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N.J.—In the heated fight over medical care for the aged, the last few months have seen a dropoff in public support for the administration's proposed social security financing of such health benefits.

Since March, an increased number of voters have swung over to the belief that such aid for the Nation's older citizens could be better handled privately—through Blue Cross or other forms of voluntary health insurance.

The latest Gallup poll indicates that supporters of the public approach still outnumber those who prefer private financing. But the Nation is much more evenly divided on the issue than it was 3 months ago.

To measure the net impact of the rival efforts made recently by administration forces and by groups like the American Medical Association, Gallup poll reporters repeated a question first asked in March:

"Two different plans are being discussed in Washington for meeting hospital costs for older persons:

"One plan would let each individual decide whether to join Blue Cross or buy some form of voluntary health insurance.

"The other plan would cover persons on social security and would be paid by increasing the social security tax deducted from pay checks.

"Which of these two plans would you prefer?"

In March of this year, a majority backed the social security approach as follows:

	Percent
Social security.....	55
Private insurance.....	34
Undecided.....	11

Today the vote divides as follows:

Social security.....	48
Private insurance.....	41
Undecided.....	11

Further analysis reveals the administration's proposed public financing plan has lost support among both Republicans and Democrats, as well as among independent voters.

Mr. BENNETT. I am not suggesting, Madam President, that the Senate should allow polls to weigh very heavily in its deliberations on any legislative proposal. I am citing those polls taken by Members of Congress and printed in the CONGRESSIONAL RECORD only to show that the bandwagon psychology of the administration has not worked. And the longer this widespread public discussion lasts, the more the administration position loses adherents. The reason for this is simple: The facts of the matter are beginning to shine through the artificially created fog of emotion generated by the administration and its allies from the hierarchy of labor.

**REASON FOR BYPASSING COMMITTEES**

Why, then, are we urged to rush the Anderson amendment into law? Because this variety of social security legislation is rapidly losing public support and has never attracted congressional support from those who have studied it. And why has this effort been made to circumvent the Senate Finance Committee to prejudice the findings of the House Ways and Means Committee, to usurp the right of the House of Representatives to initiate all tax legislation? Because the supporters of the administration know that reason, based on facts, would inevitably prevail if the proper procedures for legislating were followed.

Mr. Maurice H. Stans, former Director of the Budget and a highly respected

public official, wrote a very pertinent column on the health care for the aged controversy. It is worth reading at this point.

**MAURICE STANS ARTICLE**

Under the headline "Our Changing Economy—Emotionalism Fogs Medical Care Issue," Mr. Stans wrote in a syndicated column appearing in the Times-Mirror of Los Angeles in late January 1962, and I ask unanimous consent that it may be inserted at this point in the RECORD.

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

**OUR CHANGING ECONOMY—EMOTIONALISM FOGS MEDICAL CARE ISSUE**  
(By Maurice H. Stans)

President Kennedy has repeated his request to the Congress to write a new law putting medical care for the aged under social security. It is likely to be one of the hottest and least understood issues in the current session.

Ever since medical care for the aged became a political issue early in 1960, it has generated an atomic lot of heat and a minimum of reality. Even today many people wrongly seem to believe the issue is medical care or no medical care. This is the result of another case of undue emotionalism in Washington—a surge of sympathy misdirected toward an excess of government.

There are no facts or figures, of course, as to how many people there are over 65 who need and want medical or hospital care and don't get it. Whatever their number, no one in this enlightened country wants anyone to suffer from that lack. The problem has been, and is, how to find the most sensible way to see that they don't.

We do know some facts. There are nearly 17 million people over 65. A large proportion of them are not medically indigent. Those over 65 account for 9 percent of our total population, and, despite the retirement majority, they still receive 8 percent of all personal incomes.

More than half of those over 65 have coverage under some form of health insurance, and the number is increasing rapidly. Millions more are safeguarded by their own wealth, the resources of their families, and services of local welfare and church agencies. Other millions are assured of present or future benefits by their rights and privileges under veterans' benefit programs. The number without adequate health protection is proportionately small. It will grow even smaller as those now under 65 and holding an even greater degree of coverage of their medical needs move into the over-65 bracket with retirement protection.

#### KERR-MILLS BILL

Under these conditions, the White House and Secretary Flemming in 1960 developed a plan that would fill the medical gap, whatever it might turn out to be. Under it, the provision of medical and hospital services to all those in need of assistance would be left to local communities. The State would advance the cost, and Washington would pick up 50 to 80 percent of the bill, variable according to the wealth of the States.

Depending on the scope of the benefits covered and the estimates of numbers of beneficiaries, the Federal Government's share would be something over \$200 million in the first year of the program and about \$400 to \$500 million in later years. And it was accepted that under a widespread program like this, these costs would include a fairly substantial amount which would not represent new protection but merely a transfer of responsibility from existing sources to the State and Federal Governments.

With some changes, the Flemming plan was enacted as the Kerr-Mills bill in the 1960 session of the Congress. It is now in operation in 26 States and a dozen others are moving toward it. Unfortunately, the continued agitation for a more expansive plan under social security has slowed up action in some States. But there is no evidence that the present program is inadequate.

#### NO TEST OF NEED APPLIED

The social security proposal is entirely different in a fundamental way. It applies no test of need and gives everyone over 65, regardless of wealth, income, or other means, the vested right to submit medical and hospital bills to Washington to be paid. The cost would be paid by another increase in social security taxes, already scheduled to rise to 9¼ percent by 1968, to be shared equally by working people of all ages and their employees. The total annual cost of this plan has been estimated to be from \$1.5 to \$2.5 billion at the start and rising in later years to \$5 billion or more.

I have never been able to understand why the social security way would make sense, or why any workingman would support it. It would multiply the tax collections and payments for medical care eightfold, tenfold, only to provide added funds to give to those who didn't need them.

It would, in other words, set up a program that benefited 8 or 10 people for every 1 that needed help. To cite an extreme, it would cover payments to the Fords, Rockefellers, Morgans, Harrimans, and other wealthy individuals over 65. It would mean that working men and women would dig up taxes to cover such expenses for Maurice Stans when he reaches 65 and for millions of others who ought to meet their own bills. It would double the social security bureaucracy, which now has 32,000 employees and a vast forest of electronic machines.

#### THREE MILLION UNPROTECTED

Despite this, it would fail to protect 3 or 4 million people over 65 who are not eligible for social security. And the program, I feel sure, would not stop at age 65. Let's not deceive ourselves. Within a year or so after it were operative, the drive would begin to

lower the age qualification, especially since the taxes would be paid by younger employees, and the pressure could continue until everyone was covered. And certainly the administrators of the funds would have to fix limits and standards on the kind of medical care and hospital services that would qualify.

By degrees we would move into a socialization of medical and hospital practices. I can understand why the medical profession does not want this, and, with the ever-increasing cost experience of Britain and other countries as evidence, we should beware of it here.

Putting medical care for the aged under a mandatory social security program would be the beginning of the largest single step we could take toward government paternalism and the centralized state. If we want to preserve our personal pride, our sense of character and responsibility, our freedom of choice and decentralized government, we ought to oppose this to the fullest. And no one will suffer, because the machinery already in law will take care of everyone who needs help at a lot less cost to the taxpayer.

Mr. BENNETT. I concur with Mr. Stans—the machinery is already in law to take care of everyone who needs help at a lot less cost to the taxpayer. I was privileged to vote, with a majority of the Senate, in favor of the Kerr-Mills law; and it was similarly my privilege to work side by side with the distinguished senior Senator from Oklahoma within the Finance Committee where the Kerr amendment was shaped and written.

Why should not the Kerr-Mills law be given a chance to work?

Let us put aside controversy for the moment and identify one general area of agreement.

Both sides of the aisle have recognized the need to help our older people finance the costs of their health care, and have moved to meet that need.

We may be at odds on method. We are not at odds on the need to act effectively and wisely.

We are not here to create campaign issues but to discuss workable solutions to a human problem. It is my conviction that such workable solutions have already been found through voluntary health insurance, assistance programs, the contributions of individual citizens, and the Kerr-Mills law itself.

To cast these aside without fair trial is to act rashly.

#### SUMMARY OF KERR-MILLS LAW

Let me summarize the main provisions of the Kerr-Mills law. It made three basic changes in the existing old-age assistance program, which is covered by title I of the Social Security Act. These changes were made in order to encourage the individual States to improve and extend medical services for the aged.

The effect of the Kerr-Mills law was threefold:

First. It increased Federal funds to the States in order to provide medical services for the 2,400,000 older persons covered under the old-age assistance program.

Second. It provided Federal grants-in-aid to States for payment of part or all of the medical services required by aged persons with low income.

Third. It instructed the Secretary of Health, Education, and Welfare to develop guides, or recommend standards, for the use of States in evaluating and improving their programs of medical services for the aged.

In its previous form, title I of the Social Security Act provided Federal funds to the States for medical services to those of the aged determined to be in need by the individual States. In turn, the States gave those needy older people cash to pay for the medical services they required, or made payments to those who supplied the medical care—that is, the physicians, the hospitals, and the nurses.

Such programs varied widely, State by State, under the old law.

The Kerr-Mills law changed this by increasing the extent of Federal participation, thus giving strong encouragement to the States to extend comprehensive medical services covered under the old-age assistance program.

The Kerr-Mills law further provided Federal grants to the States for payment of all or part of the cost of medical services required by those older persons with low incomes.

Participation in this Federal-State program is optional with the States, and each State may determine the extent and character of its own program, including standards of eligibility and range of benefits.

While the Federal Government made funds available to the States for the medical care of those on old-age assistance, prior to passage of the Kerr-Mills law, it limited Federal participation to a stated statutory proportion of average assistance expenditures. The maximum allowed under the old law was \$65 per person per month.

The Kerr-Mills law as amended made additional Federal funds available to the States of up to \$15 per month in addition to the existing \$65 maximum.

The Federal share of the program ranges from 50 to 80 percent, depending on the per capita income of the State, when the State's monthly average payment is over \$65. When the State's average monthly payment is under that figure, the Federal share is set at 65 to 80 percent.

The effect of amending title I was to make it clear that the States could extend their existing programs to cover the medically needy. The States were not only given the incentive to establish such programs where they did not then exist, but to extend programs inadequate in coverage and increase the scope of benefits they were then providing.

Finally, the Kerr-Mills law provided that the State standard for determining the need for medical assistance could be broadened substantially under the terms of the law and need not be the same standard as that for determining need for assistance payments.

Here, then, was the structure for helping every aged person in need of help, whether on old-age assistance, on social security, or on neither. So long as a need for medical care existed, the State could move to meet that need within a flexible, adaptable plan.



## KERR-MILLS PROVIDED INCENTIVES TO STATES

It goes without saying that the Kerr-Mills law offered great incentive to a number of States with an acute problem of needed medical care for the aged. Prior to its passage, those States with less than the national per capita income had experienced great difficulty in getting such programs underway. But under the new law, it became possible for a low-income State to inaugurate a medical care program for its older people on the financing basis of \$1 of State money to \$4 of Federal money.

The question arises, How successful has the Kerr-Mills law been thus far?

In less than 2 years, the Kerr-Mills law has made astonishing strides. To the best of my knowledge, it is being implemented as fast as, if not faster than, any previous Federal-State matching program ever devised.

The following have initiated medical care under old-age assistance since Kerr-Mills became law:

Alabama, Alaska, Arizona, Georgia, Kentucky, Mississippi, South Dakota, Texas, Guam, and Puerto Rico. Delaware is also initiating such care, but has not yet set an effective date for the program to begin.

Medical care programs that were already in existence have been expanded in Arkansas, California, Connecticut, Florida, Hawaii, Idaho, Indiana, Iowa, Louisiana, Maine, Maryland, Michigan, Missouri, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, my own State of Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, the District of Columbia, and the Virgin Islands.

Programs have been adopted for the medically indigent under the medical assistance to the aged facet of the program and are now operating in Alabama, Arkansas, California, Connecticut, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, my own State of Utah, Washington, West Virginia, Guam, Puerto Rico, and the Virgin Islands. Vermont's medical assistance to the aged program is expected to be in operation this month. Georgia and Iowa enacted programs in 1961 but have not yet acquired the funds to put those programs in operation.

## FORTY-SIX STATES PARTICIPATE

Summing up, 46 States, territories, possessions, and the District of Columbia have now taken advantage of one or both facets of the Kerr-Mills law. Arizona and Delaware, which have now initiated old-age assistance medical care programs, already had excellent assistance programs at the local level which included medical care, so they will build upon a solid base.

I submit, Madam President, that this is not the record of failure. Indeed, it is a record of solid accomplishment.

Essentially, the medical assistance to the aged program is similar to other public assistance programs, but there are several important differences. All public assistance programs have, as their main purpose, the provision of help to

a specific group to the degree that such a group needs help. Programs of this sort are administered by the individual States, with Federal financial participation being based on per capita income; and eligibility standards and the amount of help to be given are left to the States themselves.

The major difference between medical assistance to the aged and other public assistance programs is that medical assistance to the aged was set up to provide Federal funds only for medical and ancillary services. The other differences are minor, but worth noting: the provisions prohibiting a set length of residence in the State for eligibility; the provision that residents temporarily absent from the State be taken care of; the requirement that all counties within the State implement the program; and the requirement that both institutional and noninstitutional care be included in the State plan.

Yet potentially, depending upon the degree to which the States use it, the Kerr-Mills medical assistance to the aged program provides a mechanism for financing whatever health services are needed for any person over 65 years of age who cannot pay for them himself.

## PLAN IS FLEXIBLE

Most important, the plan is flexible enough to strike a balance between the individual's medical needs and his ability to pay for care—and still not waste tax moneys on the one hand, or destroy the individual's ability to support himself after his treatment has been completed on the other.

As of the moment, some States have set up programs providing a comprehensive range of health services and elastic standards of eligibility under which the cost of services required is weighed against individual income. Other States have comprehensive services but more rigid eligibility requirements. Several States provide relatively few types of services but have set their eligibility regulations more broadly. And there are some States, admittedly, in which eligibility requirements are set stringently and services are likewise limited.

Thus, despite the record of success compiled by Kerr-Mills during its brief period of operation, the program has still not reached its potential. That does not mean, Madam President, that this potential cannot, or will not be achieved—given a little more time, and a little more encouragement.

The latter, let me point out, has been notably lacking.

Let me go further: Concerted efforts have been made to sabotage the program's success.

## SABOTAGE OF KERR-MILLS

Ever since Congress passed the Kerr-Mills law, it has been disparaged by the very people who seek to force social security medicine down our throats. They have called medical assistance to the aged a program to pauperize the aged when its purpose and effect have been to prevent pauperization; they have said medical assistance to the aged was unwieldy administratively, while pointing with pride to the bureaucratic nightmare that social security medicine would be-

come; and they have referred to medical assistance to the aged as a pork barrel while rolling out the succession of barrels that would accompany passage of King-Anderson type legislation.

I ask the Senators to consider the degree of success Kerr-Mills would now enjoy if the Department of Health, Education, and Welfare had devoted as much time and energy to its support as the Department has devoted to downgrading the program and hawking the administration-backed substitute?

If I have heard the statement once, I have heard it a hundred times: "The States don't have enough money to match the Federal funds granted under Kerr-Mills."

From this, it must logically follow—or so these people suggest—that the Federal Government can provide the only solution through use of the social security mechanism.

I shall discuss the Anderson amendment in detail a little later, Madam President. For now I would simply like to point out that this amendment does not cover either mental hospitals or tuberculosis hospitals, which constitute the greater part of any State's hospital expenditures and which are supported by tax dollars raised within the State. So much for the plight of the States as the proponents of this legislation seek to alleviate it.

The question arises of why the administration has applied the brakes instead of the accelerator in getting Kerr-Mills into high gear? The answer is plain: The more successful the Kerr-Mills law, the more chances diminish of passing a King-Anderson bill in an atmosphere charged with ersatz panic and bogus emotionalism.

In addition to the campaign against Kerr-Mills, we have also been subjected to a barrage of propaganda to the effect that medical assistance for the aged would be outmoded by passage of some old-age and survivors disability insurance oriented program like the Anderson amendment. And make no mistake about it, the propagandists warned, passage was inevitable—just a matter of time.

Is it any wonder that many States were reluctant to devote State funds to a program which seemed doomed to be superseded? Can the States be blamed for listening to Federal officials who presumably knew what they were talking about?

## STATES PROCEED DELIBERATELY

Of course some of the States dragged their feet.

While I do not have the specific information, I understand that authorities in the State of Vermont adopted the Kerr-Mills program and turned the administration of the program over to a State official, saying to him, "From now until the time the legislature again meets, you are personally and solely responsible. You can decide what the benefits will be. You can decide what the qualifications can be. You are free to change your program from day to day or from week to week." That procedure was adopted on the theory that by so doing, when the legislature did

meet again, they would have had sufficient experience to write a successful bill.

Other States moved cautiously out of laudable fiscal restraint. Still others regulated their pace to the speed with which information could be gathered on a number of unknown quantities. How many of the aged needed help? What sort of help did they need? It is no wonder that State legislatures, especially those inexperienced in the area of statewide vendor payment medical care programs, proceeded deliberately.

And yet, despite all of these factors, the Kerr-Mills law has moved ahead faster than did the medical vendor plan during a comparable period following its enactment in 1950.

I submit, Madam President, that in view of the pressures against the rapid implementation of the Kerr-Mills law, its success has not only been astonishing but demonstrative of the program's strength.

To those who attack the law because of its alleged administrative shortcomings, I would reply that it is impossible to attack the administrative mechanism at the Federal level without also damning all other Federal grant-in-aid programs. To attack the administrative mechanism at the State level—which was done, by the way, long before many of the States had even decided on what administrative plan they would adopt—is equally ridiculous. This program is no more difficult to administer than any other statewide aid program. I will go further: With all of the flexibility allowed the States under this law, administration should be simpler than that of other public assistance programs.

Can the States afford to implement Kerr-Mills? No, say the proponents of the Anderson amendment. But the States can afford social security medicine. To this spurious argument I can only reply with the old-fashioned observation that all the money spent by the Federal and State Governments comes from the same place—the pocket of that harassed, put-upon, oftentimes forgotten man, the taxpayer.

#### PAUPER'S OATH ARGUMENT NOT VALID

I should like to comment on what may be the most nonsensical argument used against the Kerr-Mills law and in support of the social security approach. It is the argument against the means test—the "pauper's oath," as it is sometimes called. The "pauper's oath"—always surrounded by quotation marks, whether spoken or written—is "degrading" and carries a "stigma."

These are words of high semantic intensity, chosen carefully to obscure meaning and cause the adrenalin to flow. No one wants to be pauperized, degraded, or stigmatized, Madam President. Therefore, everyone should be in favor of using old-age and survivors disability insurance as a financial mechanism and consigning the Kerr-Mills law to the nethermost regions, along with child labor and the 60-hour week.

I should like to make it clear to the Senators that I am four-square against degradation, unalterably opposed to the pauper's oath, entirely against the im-

position of stigma, and perfectly in favor of the means test.

I see no contradiction in that statement.

The means test came into being as a method whereby the people's taxes could be conserved for use where they were most needed. If, in the process of discharging this fiscal responsibility, some few of the States may have set up means tests which affront the individual's pride, there is nothing in the Kerr-Mills law to prevent those States from revising their procedures for determining eligibility for assistance.

It is not the means test itself which is degrading; it is the manner in which the means test is sometimes applied. We are, after all, dispensing tax-supported aid. We must do so based on a knowledge of the applicant's resources and need—or turn every assistance program into a bonfire fed by tax dollars.

Old-age assistance requires a means test for the needy aged who need money to buy food, clothing, and shelter, and who must have medical care provided for them.

Aid to dependent children, aid to the blind, aid to the permanently and totally disabled—all require means tests.

The Public Housing Administration provides low-rent housing for persons of low income, which involves a means test. Similarly, the Secretary of Agriculture must invoke a means test in determining what farmers can obtain financial assistance in building, improving or repairing their farm dwellings and out-buildings.

The school lunch program involves a means test. Veterans' pensions are based on the veteran's annual income—a means test again. Veterans' widows and children receive compensation on the basis of need—a means test.

There has been no outcry that I have ever heard about the means test required for non-service-connected care in Veterans' Administration hospitals.

And is not a means test involved in reducing or withholding payments under old-age and survivors disability insurance to beneficiaries who earn more than a specified amount each year.

For that matter, does not the King-Anderson bill provide a means test by automatically labeling every person over 65 as a medical indigent?

#### AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. KERR. Madam President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. KERR. Madam President, I ask unanimous consent, without the Senator's losing his right to the floor, that the Senate return to the consideration of the pending business, which is Calendar No. 1593 (H.R. 11737), a bill to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senate resumed consideration of the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

Mr. KERR. Mr. President, I ask unanimous consent to allow Dr. Robert C. Seamans, Jr., Associate Administrator of NASA; Mr. Ralph Ulmer, Director of Facilities Coordination; and Mr. Albert P. Siebert, Director of Office of Administration; all of NASA, to be present on the floor of the Senate to assist during the floor debate on H.R. 11737, the bill to authorize appropriations to the National Aeronautics and Space Administration for the fiscal year 1963.

The PRESIDING OFFICER (Mr. Hickey in the chair). Without objection, it is so ordered.

Mr. KERR. Mr. President, we have before us H.R. 11737, to authorize appropriations for the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes. H.R. 11737 passed the House by unanimous vote. The measure received unanimous support from the Committee on Aeronautical and Space Sciences after a thorough study of our national program to develop and explore space for peaceful purposes.

The original administration request for NASA for fiscal year 1963 was \$3,787,276,000. After a thorough review by the House Committee on Science and Astronautics, the House recommended a net reduction in the amount of \$116,114,000. The Senate Space Committee, after a careful review of the NASA budget, agreed substantially with the recommendations of the House. Subsequent to the action by the House, a new request for \$32 million to acquire nearly 15,000 additional acres of land at Cape Canaveral was made to the Senate. That request was made by the Bureau of the Budget, by the NASA administration, and by the Department of Defense. While the Senate recommended a reduction of \$60,760,750 in the budget requested, it agreed to the additional \$32 million request and \$1 million for a high energy fuel program, resulting in a total reduction of \$37,760,750 in the administration's budget. In addition, the bill contains a supplemental request for fiscal year 1962 in the amount of \$71 million. This request was approved by both the House and Senate committees. It was approved by the Senate committee last year and passed by the Senate last year, and was pending in the House. They requested it be put into the general authorization bill, rather than acting on the bill which the Senate had passed.

I would now like to review briefly the House committee's budget adjustments and the related action taken by our committee. The reductions involved two areas: The first, research, development, and operation; and the second, construction of facilities. In view of the fact that the specifics are set forth in the report of the committee and are available to each



Senator, I ask unanimous consent that there may appear in the RECORD at this point the details on the amounts contained in the bill and of the action taken by the committee in the reductions and additions as heretofore specified.

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

#### RESEARCH, DEVELOPMENT, AND OPERATION

The House committee reduced the NASA's budget request of \$2,968,278,000 for research, development, and operation by \$33,616,250. These reductions would affect Project Mercury, the scientific satellite program, and the lunar and planetary program. With the exception of a reduction in Project Prospector, we did not agree with the House committee's recommendations.

**Project Mercury:** Specifically, the House recommended a \$1 million reduction in Project Mercury on the base that all of the three remaining Mercury capsules would not be launched. Since the House action, we have had the successful three-orbit Mercury flight of Comdr. Scott Carpenter. NASA's present plans call for using the remaining Mercuries in six-orbit flights. We do not agree that this vital program should be curtailed. Thus, a reduction in funding for the Mercury project is not indorsed.

**Scientific satellites:** The House committee recommended a level of effort reduction of \$8,758,250 in the scientific satellite program. This has been a very successful program and has put our Nation in a leading position in the space sciences. The NASA has testified that they are operating on a very tight budget in this area and that a reduction in funds would result in curtailment of the program. We do not wish to see this program reduced in scope or extended in time. Thus, we do not support the position of the House with regard to reducing program funds.

**Lunar and planetary program:** In the lunar and planetary program the House committee recommended a general level of effort reduction of \$23,558,000 and a specific elimination of Project Prospector. We believe that the general program is of extreme importance to the Nation from scientific as well as from manned lunar landing program considerations. Further, we believe that the program is operating with a tight budget, a budget that does not allow for contingencies in a difficult program. On this basis we do not recommend a reduction in the general program. The Prospector Project is another matter. Although the Prospector concept may prove to be an important element in our scientific exploration of the moon and become important to the manned lunar landing program, we do not believe it has progressed far enough to require \$10,400,000 in fiscal year 1963 to support its development. We recommend it be the subject of continued in-house study, at a level of about \$400,000, to define the details of its mission or missions and its configuration.

#### CONSTRUCTION OF FACILITIES

NASA requested \$818,998,000 for construction of facilities for fiscal year 1963. The House reduced this amount by \$82,797,750. Your committee agrees with some of the House's actions and recommends a reduction in the requested budget of \$60,760,750. In addition the committee recommends approval of a new NASA request, approved by the Bureau of the Budget, for \$32 million for the acquisition of additional land at Cape Canaveral and the addition of \$1 million for high energy fuels facility. This results in a net reduction of \$27,760,750 in the construction of facilities budget.

The major reduction actions taken by the House involve the following:

Nova launch complex, AMR.....	-\$60,630,000
Advanced Saturn complex, AMR.....	-3,000,000
Facility planning and design.....	-5,000,000
Nova stage test facilities, MTF.....	-12,000,000
Johannesburg antenna facility.....	-298,500
Woomera antenna facility.....	-298,500
Far East station data acquisition facility.....	-1,940,000

Our committee agreed only with the reduction in the Nova launch complex at AMR. I will discuss this item and the others shortly.

As noted in the report of our committee, we agreed with the House on their other reduction in budget estimates under "Construction of Facilities." These reductions total \$130,750 and represent a 5-percent reduction in the requested budget. The committee believes as does the House that this is a reasonable economy that can be effected in the preparation of sites, utility installation, and construction at certain sites. The following sites are involved:

Goddard Space Flight Center.....	-\$33,750
Jet Propulsion Laboratory.....	-13,000
Langley Research Center.....	-11,000
Marshall Space Flight Center.....	-5,500
Various locations.....	-53,250
Wallops station.....	-14,250

**Nova launch complex:** Construction of facility funds for the Nova launch complex were deleted from the budget by the House on the assumption that construction would not begin this fiscal year. In reviewing this matter with the NASA it was evident that a considerable amount of preliminary work would be required, acquisition of land, preparation of the site, and facility design; before actual construction could begin. We therefore concur with the House action. The removal of \$60,630,000 from the item leaves \$18,870,000 for preliminary work on this large complex.

**Advanced Saturn complex, AMR:** The budget request for the Advanced Saturn complex at AMR was reduced by the House by \$3 million. We do not concur with this reduction. The House took its action on the basis that the NASA includes in its cost estimate for this facility the cost of the most expensive launch vehicle transfer system it has under study. This transfer system will take an assembled launch vehicle from an assembly building to the launch stand. Two transport techniques are under study now, a rail system and a canal system. The rail system appears to be the most expensive system. We do not believe that we should force a technical decision in this critical facility by the elimination of funds. Thus, we do not concur with the action of the House on this item.

**Facility planning and design:** The House reduced the budget for facility planning and design by \$5 million. Their action was taken with the thought that the NASA's reprogramming authority could be used to satisfy this requirement. We do not agree with this philosophy. In an expanding program with no room for contingencies, it does not appear practical to depend on unknown sources of funds for basic program needs. We believe the funds requested are essential to the timely, effective conduct of the NASA's programs.

**Nova stage test facilities, Mississippi test facility:** The NASA request for funds for construction of a Nova stage test facility at the Mississippi test facility was reduced by \$12 million by the House. This reduction was predicated on the thought that the situation at Mississippi test facility was analogous to that at AMR; the prerequisite preliminary

work could not be completed in time for the start of construction in fiscal year 1963. Actually the situation is not the same at the two sites. The land at Mississippi test facility should be in the control of the Government by August of this year. The facilities to be constructed are static test stands. Although they will be larger than any this country has built before their design is based on available technology. A reduction of funds for this facility will serve to delay the development and use of this important test site. We recommend that the Senate endorse the budget requested for this facility.

**Johannesburg and Woomera antenna facilities:** The total reduction of \$597,000 for facilities at these stations, by the House, was based on the thought that a firm design does not exist and thus detailed cost estimates could not be made. It has been determined that the NASA does have firm designs for these stations and a full appreciation for the funds required. The designs for the existing stations in South Africa and Australia are to be used in the design of the facilities to be established at Johannesburg and Woomera. It is felt that a reduction in funding for these stations would delay their completion and reduce the support needed by the expanding space science and application satellite programs.

**Far East station and data acquisition facility:** On the premise that the NASA had not selected a site for the Far East station and thus was not in a position to define facility costs, the House reduced the requested budget stations in existence or under construction. These stations are in the Western Hemisphere. Experience indicates that all these stations have or will cost in excess of \$5 million. Based on this experience, we feel the NASA has been realistic in establishing the cost of Far East stations at an estimate of \$6 million, especially in view of additional costs for such items as shipping, skilled labor, redundancy of equipment, and the installation of reliable ground communication ties to the United States. Thus, your committee does not recommend a reduction in construction of facilities funds for the Far East station.

I would like to call your attention to two special items; first, additional funds for construction of a high-energy fuel test facility—an item not requested in the NASA budget—and second, a request for additional funds to acquire 15,000 acres of land adjacent to the north of the planned facilities at Cape Canaveral.

With respect to the construction of a high-energy fuel test facility, the House in recognition of the desirability of conducting additional studies in this area provided \$500,000 for such construction at the Mississippi test facility. As we noted in our report, this committee agrees that additional work should be done in the area of high-energy fuel for the upper stages of launch vehicles and proposes that another \$500,000 be made available for studies in the area of high-energy fuels. In view of the fact that the work is of a research nature the committee felt that this facility should be located at a research laboratory. Consequently, the location of this authority was moved from Mississippi test facility to the Lewis Research Center in Cleveland, Ohio.

As I mentioned in my opening remarks, the NASA presented to the committee a new requirement for additional funds for land at Cape Canaveral. Your committee concurred on this requirement. As you know this matter has been coordinated with the Department of Defense and the Bureau of the Budget. The land to be acquired will permit the NASA reserve for site expansion, adequate safety zone between the launch operation and inhabited areas for the planned lunar program and future space programs requiring large launch vehicles.

I should also like to mention the proposed NASA Space Radiation Effects Laboratory. This Laboratory will contribute greatly to the design of future spacecraft in determining the structure required to protect against the hazards of radiation in space. The Laboratory will be located near the Langley Research Center at Langley Field, Va.

The NASA site selection committee has met and after reviewing a number of possible sites has recommended that the Laboratory be built on an existing piece of Government-owned land approximately halfway between Langley Field and Williamsburg, Va. On the basis of this recommendation NASA headquarters is preparing to coordinate the land transfer and preparation of necessary documents. The transfer is being coordinated with the other Government agencies involved, the U.S. Air Force, the General Services Administration, and the Department of Health, Education, and Welfare.

Final NASA headquarters approval is expected to be forthcoming as soon as the land transfer has been cleared and congressional approval received.

In summary, our committee recommends a reduction in the NASA fiscal year 1963 research, development, and operation program budget request of \$10 million. The recommended reduction in the requested construction of facilities budget is \$60,760,750. We recommend also construction of facilities budget additions of \$32 million for new land acquisition at Cape Canaveral and \$1 million for high-energy fuel test facilities at the Lewis Research Center. Thus, the total recommended reduction in the NASA's fiscal year 1963 budget is \$37,760,750.

This action will allow the NASA a budget of \$3,749,515,250 for fiscal year 1963. We believe that the NASA can support effectively its fiscal year 1963 program with this funding.

Mr. KERR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 19, after line 23, insert the following new section:

SEC. 7. Section 201(f) of the National Aeronautics and Space Act of 1958 is amended by adding at the end thereof the following new sentence:

"Other provisions of law or regulations relating to government employment (except those relating to pay and retirement) shall apply to council employees reporting directly to the chairman to the extent that such provisions are applicable to employees in the office of the Vice President."

Remember the succeeding section accordingly.

Mr. KERR. Mr. President, the amendment has been submitted to and agreed to by the minority leader and other Senators on his side of the aisle; by the chairman of the Aeronautical and Space Sciences Committee and other members of that committee; and by Members of the Senate on this side of the aisle. I ask that it may be favorably considered.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

Mr. KERR. I ask unanimous consent that the bill as amended be favorably considered by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended, in the nature of a substitute.

Mr. DIRKSEN. Mr. President, I have tried to confer with the minority members of the Aeronautics and Space Sciences Committee. I believe the bill has their unqualified support.

Mr. KERR. The bill had the unanimous agreement of the Republican members of the committee. One of the members suggested that in the event an effort were made by others to amend the bill with reference to the total amount of the authorization, he would reserve the right to make up his mind as to his position on such amendment, but that the reporting of the bill unanimously by the committee had his approval.

Mr. DIRKSEN. I merely wish to observe that this is an astronomical sum we are dealing with. I am sure that, since this is an authorization bill, the appropriation requests will receive further scrutiny at the proper time by the Committee on Appropriations of the Senate.

Mr. KERR. Mr. President, I am advised that a Member of the Senate wishes to make some remarks on the bill. Therefore, in order to obtain a little time for him to arrive in the Chamber, 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. KERR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KERR. Mr. President, I ask unanimous consent that the Senator from Utah [Mr. BENNETT] be recognized to finish his remarks which he so graciously interrupted to permit us to return to a consideration of the bill.

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

#### PUBLIC WELFARE AMENDMENTS OF 1962

The Senate resumed the consideration of the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

#### OTHER EXAMPLES AVAILABLE

Mr. BENNETT. Mr. President, I could go on indefinitely with other examples—like the programs to provide assistance to old, disabled, or indigent Indians; like our surplus food programs; like our maternal and child health services; like our programs for crippled children; like our National Defense Education Act loan program, under which student loans are granted on the basis of need.

I believe, however, that I have made my point: in government or in private life, we help those who need our help—and neither give nor force our tax or philanthropic dollars on those who are not in need of them.

There is another reason why I favor the Kerr-Mills law and find it sound.

The funds for this program are derived from general revenue, to which the entire taxpaying population contributes according to its ability to pay. Contrast

this with the payroll tax called for under the Anderson amendment and similar proposals. Under such a social security taxing mechanism, according to the Department of Health, Education, and Welfare, some 40 percent of the national income would make no contribution to the fund.

In other words, the burden would fall heaviest upon those taxpayers earning \$5,200 or less a year; and a man earning \$5,200 a year would pay the same tax as a man earning \$52,000 a year. To compound that inequity, the health services provided in the amendment would be furnished to the elderly with no consideration given to their ability to pay for them. Millions of older people can pay the costs of their health care and are doing so now in a wide variety of ways. Why, then, should younger workers assume this unneeded burden? Why should young families, during the period of maximum expense when there are mortgages to meet, children to clothe and feed, insurance to keep up, college educations to be financed, savings to be accumulated, assume the expense of health care for millions of older people who do not want it and have not asked for it?

#### THE PRESENT SOCIAL SECURITY DILEMMA

Mr. President, the social security program already faces some very serious problems, resulting from the built-in imbalance in the system. U.S. News & World Report for July 2, 1962, had an excellent article pointing out some of the inequities of the present system and some of the fiscal problems facing the social security system.

As pointed out in this article, the social security commitment for today's workers is \$624 billion. The fund now has only \$22 billion. Taxes paid in by present workers and their employers will total an estimated \$282 billion. This leaves a gap of \$320 billion which must come from somewhere; and the only place it can come from is the social security taxes paid by the children and grandchildren of present-day workers.

In other words, social security is a real bargain for those who are receiving benefits today; but in a few years every worker will be paying in much more than he can expect to get out, in order to pay for the benefits being paid out today.

If that is not the case, we will go on stretching the burden further and further into future generations. This situation is a result of the unwillingness of Congress to keep the social security program fiscally sound. Congress has been too willing to buy votes by making changes in social security benefits which just were not financially feasible.

We must not compound the mistakes of the past by making similar mistakes today. Those who say that participation in the social security medical care program will establish a right based upon the money the participant has paid in are misleading the public. The benefits will bear no more relationship to participation than is the case with the present system, and we will be saddling our future generations with a terrible burden, one which may threaten the destruction of the social security system itself.



It is unthinkable that Congress would approve so unsound a program when a far more equitable system—the Kerr-Mills law—already is in existence.

Mr. President, because the U.S. News & World Report article is so significant, I ask unanimous consent that it be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. BENNETT. Mr. President, we in Utah have had MAA since our State legislature passed the public assistance act of 1961. Our State department of public welfare initiated the program nearly a year ago to the day—on July 1, 1961.

The legislation passed in Utah allowed the department of public welfare to exercise its discretion in establishing rules and regulations pertaining to eligibility and the expenditure of funds in accordance with the Federal program.

Rather than to leap blindly into a new plan with which we had no previous experience, we in Utah launched our MAA program on a relatively modest basis. Benefits were limited to physicians' and hospital services, and eligibility was restricted to State residents over 65 with limited resources.

How limited could those resources be? We set the net value of liquid assets at \$1,000 or less for a single applicant, or \$2,000 for a couple or family. We set the net value of other personal or real property at \$10,000 or less, not including a home owned and occupied, or a necessary automobile. We set the amount of net income at \$110 a month for single applicants and \$170 a month for married couples.

It was further provided that the recipient would have to pay the first \$20 per quarter or 90-day benefit period for any physician's services, and the first \$50 for inpatient hospital admission. The department then undertook to pay all amounts in excess of these deductible factors.

In other words, Utah designed its program to take care of major medical or catastrophic medical expenses.

Now all of this sounds like a very modest start. But as experience was developed with the program, we broadened our benefits.

By December 1, 1961, the public welfare commission had authorized the payment of nursing home care under MAA, and the payment of drug bills up to \$15 a month for individuals in nursing homes.

By April 1, 1962, we had eliminated the \$20 deductible for physicians' services.

And as time went on, we also discovered that our administrative costs were running far less than anticipated. MAA is now 1 year old in Utah.

Let me now read to the Senate, with considerable pride, this recent report of further progress. It appeared in the Deseret News of June 1.

STATE PLANS TO TRIPLE AID TO AGED—MEDICAL PROGRAM TO EASE ELIGIBILITY, BOOST OUTLAY

(By Clarence Barker)

The joint State-Federal program of providing medical assistance to the aged

(MAA) in Utah will be accelerated by approximately three times its present cost, beginning July 1.

Ward C. Holbrook, State welfare commission chairman, announced Friday that the payments, after that date, will be liberalized and eligibility requirements will be lowered.

The MAA program is intended primarily to aid persons over 65 years of age who are unable to qualify for old-age assistance (OAA) because of their incomes, but who are still unable to pay for adequate medical service.

#### AMA ENDORSEMENT

The program is endorsed by the American Medical Association and other groups.

Utah is one of 27 States which enacted legislation to implement the Federal program.

"Although the Utah program has been in operation since last July, relatively few of our estimated 65,000 persons over 65 have taken advantage of it," Mr. Holbrook said.

During the 10 months, which ended April 30, only \$400,000 in State and Federal funds had been spent on the program.

The liberalized program to begin July 1 will increase costs approximately three times.

#### TRANSFERRED TO MAA

In recent months, needy aged persons in nursing homes, which are qualified to give medical services, have been transferred from old-age assistance to MAA, thus relieving a stringency in OAA.

Changes in the program will be as follows: Persons over 65 with monthly incomes of less than \$125 per person or \$200 per couple may qualify. The previous ceilings were \$110 and \$170 respectively.

Deductible factors requiring those receiving help to pay the first \$20 of doctors' fees and the first \$50 of hospital costs will be eliminated. This means that persons qualifying will not have to pay any portion of the costs of doctors' services or hospitalization.

#### OTHER FUNDS

The welfare department will pay for needed drugs up to a maximum of \$15 a month and for dental care and eye care, including purchase of glasses and dentures.

Mr. Holbrook said the 1961 legislature appropriated \$1.25 million for MAA which made available \$2.3 million Federal matching money, for a total of \$3.55 million State and Federal money.

The program as now planned will cost \$2.4 million for the 2-year period, ending June 30, 1963.

In other words, Mr. President, there is still opportunity for further liberalization.

I have only one further comment to make on the Utah experience, Mr. President.

#### MANY STATES MAKE HASTE SLOWLY

It indicates to me that many States are, like Utah, making haste slowly. If our experience is significant, and I suspect it is, the financial need and ill health of the aged have been violently exaggerated. Of the estimated 65,000 persons eligible for help under Utah's MAA program, relatively few have taken advantage of that help. It is my conviction that there can be only one major reason for this: Most of those 65,000 people are self-sustaining until serious illness strikes. When that happens, Utah stands ready to help. But for the great majority of our older people, the need for help arises less often than the Nation has been led to believe by those who support social security health care.

One of the main reasons for this is the increasing ability of private health

insurance to cushion the financial shock of illness.

It is a longstanding principle, Mr. President, that government should act only when private resources and initiative have failed to meet a public need. It is therefore germane, at this point, to inquire how well private resources are doing.

The answer is reassuring. As of the middle of last year, 53 percent of all persons 65 and over were protected by some form of voluntary health insurance. I realize that some will immediately respond to this figure by pointing out that 47 percent are therefore without insurance protection—for, while the optimist will say the bottle is half full, the pessimist will say the bottle is half empty.

But the fact that 53 percent of the aged have health insurance has more meaning than this figure alone would suggest. We must think of that figure in terms of the growth it represents. The truth is that the amount of health insurance owned by the aged is growing at a faster rate than the rate at which the insurance owned by the population as a whole is growing. This can readily be appreciated when it is remembered that only 26 percent of persons 65 or over had health insurance of any kind in March of 1952. By contrast, 59 percent of persons of all ages were covered as of 1952, while 74 percent, or more than 135 million people, were covered as of the end of 1961.

This means, then, that while coverage for the number of persons of all ages rose 15 percent from 1952 to 1961, coverage for our aged citizens showed an amazing jump of more than 50 percent. And while the percentage figure has doubled, the number of persons covered has tripled—from 3 to 9 millions.

Furthermore, some 25 to 30 percent of the aged are not in the market for health insurance because their health care is provided through old-age assistance programs that predate the Kerr-Mills bill. We can therefore conclude—with considerable safety—that 70 percent of the aged who want voluntary and Government health insurance now have it.

#### PERCENTAGE WITH INSURANCE INCREASING

We can also conclude that this percentage will increase in the years ahead. The Health Insurance Institute of America estimates that by the end of 1965, 80 percent of the aged needing and wanting protection will be insured. The figure is expected to climb up to 90 percent by 1970.

Why, then, is it sensible to adopt such permanent methods as the Anderson amendment to a problem which is temporary in nature? Again, I must reply that the unseemly haste with which we are urged to pass such legislation—lest it become an issue in the fall election, to quote the distinguished junior Senator from New Mexico—is because if this measure is not passed soon, any justification for its consideration will evaporate before its proponents' eyes.

The extent of the growth of voluntary insurance and its availability to the aged at a reasonable cost are borne out by a

recent publication of the Health Insurance Institute, entitled "Guaranteed Lifetime Health Insurance: For Persons Over 65; For Persons Under 65."

This report shows that more than 80 insurance companies are now providing a total of 157 health insurance plans and policies for persons in or near retirement.

#### RECENT DEVELOPMENTS

Furthermore, Mr. President, some of the recent developments in the health insurance field are well worth noting:

First. There are now mass enrollment programs under which guaranteed renewable coverage is offered to anyone 65 or over, regardless of his present or past condition of health. Almost a million aged persons have enrolled in these programs within the past 3 years.

Second. Many companies are now offering guaranteed renewable policies to those over age 65, with benefits as high as \$10,000 and coverage for in and out of hospital expenses—including the costs of physicians, drugs, and private-duty nurses.

Third. Those now retired are eligible to enroll in group plans. An example of this is the group plan issued to the American Association of Retired Persons.

Fourth. The Connecticut age 65 plan breaks new ground. It is issued by a group of insurance companies under special State legislation actively supported by the companies involved. Two coverages are available, the higher providing \$10,000 maximum major medical benefits. Enrollment is open to all, regardless of past or present health status. It is significant that other States have passed, or are now considering, bills of a similar nature.

Fifth. Increasingly, group health insurance plans are being written or broadened to continue coverage after retirement. Often the employer pays part or all of the cost of the retiree's benefits under these group programs.

Sixth. A nationwide Blue Shield program of surgical and medical care benefits has been developed for all persons over age 65, at an estimated cost of about \$3 a month a person.

The important thing is that voluntary health insurance is contributing solutions to the problem of cushioning our aged population against the financial shocks of health care. The health insurance industry is a dynamic, creative partner of the Federal and State Governments; and it is developing the answers within the free-enterprise system.

A byproduct of the great strides being made by the insurance industry is, perhaps, even more important in terms of the future. I am speaking, Mr. President, of the ever-increasing number of Americans who will own adequate health policies when they move into the retirement years.

#### HEALTH INSURANCE PROGRESS

To give the Senate an idea of how vast the Nation's progress in the health insurance field is, I ask unanimous consent to have printed in the RECORD at this point an article from the Health Insurance News of June 1962.

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

#### MORE THAN 135 MILLION PERSONS HAVE HEALTH INSURANCE; BENEFIT PAYMENTS TOPPED \$6.3 BILLION IN 1961

More than 135 million Americans—74 percent of the civilian population—had some form of health insurance at the end of 1961, the Health Insurance Council said today in reporting on its 16th annual survey of the extent of voluntary health insurance coverage in the United States. The survey is based on reports from insurance companies, Blue Cross-Blue Shield, and other health care plans.

The council said both the number of persons covered, and the amount of benefits paid by health insurance reached new highs last year. Coverage increased 3.1 million during 1961 to reach a total of 135,042,000.

Benefit payments by all health insuring organizations to help cover the cost of hospital, surgical and medical care amounted in 1961 to more than \$5.4 billion, up \$600 million over 1960, said the council. In addition, persons with loss-of-income policies received \$855 million in benefits from insurance companies to replace income lost through disability.

Thus, a grand total of \$6,329 million in health insurance benefits were distributed during 1961, up 11.3 percent over 1960, said the council.

The HIC, a federation of eight insurance associations, said that based on early trends for 1962 it estimated that as of June 1, 1962, some 136 million persons had hospital expense insurance, 126 million had surgical expense insurance, 94 million had regular medical expense insurance, 36 million had major medical expense insurance, and 43.5 million were insured against loss of income, or had some other formal sick leave pay arrangement.

The council said these figures also revealed the breadth of health insurance protection which Americans have. The organization said that as of June 1, 93 percent of persons with health insurance had both hospital and surgical expense insurance, and 69 percent had hospital, surgical and regular medical expense insurance, the last of which helps pay for doctor visits for nonsurgical care. Five years ago, the figures were, respectively, 88 and 58 percent, said the council.

#### COVERAGE DETAILS

A breakdown of the number of persons with health insurance at the end of 1961, by type of coverage and type of insuring organization, is as follows:

Hospital expense insurance was provided by insurance companies to 81,369,000 persons; by Blue Cross-Blue Shield and similar groups to 58,797,000, and by other health care plans to 5,675,000. After deducting persons protected by more than one type of insuring organization, the council reported that 135,042,000 persons had hospital insurance, a 2.3 percent increase over the 131,962,000 persons so covered at the end of 1960.

Surgical expense insurance by insurance companies covered 78,861,000 persons; by Blue Cross-Blue Shield and similar groups 50,120,000, and by others 6,803,000. Allowing for duplication, 125,297,000 persons had surgical insurance, a 3.5 percent boost over the 121,045,000 persons of 1960.

Regular medical expense insurance accounted for 46,190,000 persons through Blue Cross-Blue Shield and similar groups; 44,399,000 through insurance company programs, and 7,007,000 through other plans for a total, eliminating duplications, of 92,633,000 persons, a 5.8-percent climb over the 87,541,000 persons in 1960.

Major medical expense insurance coverage through insurance company programs increased 24.4 percent, from 27,448,000 to 34,138,000 persons. Major medical insurance is designed to help absorb the cost of serious illnesses, and pays benefits up to \$10,000, \$15,000, or more for all areas of care prescribed by a physician.

Loss of income found 32,055,000 persons covered by insurance company policies. The number of persons who work where there are formal sick leave arrangements brought the total figure to 43,055,000 persons, said the council.

Mr. BENNETT. So much for health insurance, a vital part of the answer to the problem of how our aged population can, does, and will meet its health care costs.

Let us not forget, in our feverish haste to pass radical, enduring, expansive legislation before the fall elections, that a number of well-established welfare programs, both public and private, exist throughout the United States. It would be totally unrealistic to ignore these programs designed to help the aged, and others in need, to obtain health and medical care.

I shall not go into detail on these programs, with which most Senators are no doubt familiar. Perhaps it is enough to say that they constitute a basic resource for the needy aged, and that the individual taxpayer is already contributing to them at the community and State level.

At this point I should like to interpolate that we must remember there are innumerable local institutional programs operated by churches, fraternal organizations, and others, that make their contribution to the solution of this problem.

I ask Senators to consider, however, whether a Federal medical care program of the sort we must now consider would not cut across and conflict with these existing programs, leading to waste, inefficiency, and confusion, and perhaps the abandonment of many programs which are now working satisfactorily and successfully.

Communities have always been responsible for their members. These local and State programs are the natural outcome of that assumption of responsibility, and recognize an individual's right to call upon his neighbors in time of need for the help he requires.

What will happen to these locally administered, flexible plans under a Federal program of the sort proposed by this administration? Can they be replaced by a master blueprint of health services, drafted in Washington and run from Washington, for the aged throughout the entire Nation?

Here again is a virtue of our present law. Under Kerr-Mills, Federal assistance to the States in meeting the problem is a valuable supplement to existing aid programs—not a means of short-circuiting them and blowing out the fuses.

#### OUR PRESENT MEDICAL CARE SYSTEM

At this stage, Mr. President, let us pause for a moment to consider the Nation's present system of health and medical care, for it is surely the world's most unique.



It is unique because it operates in almost total freedom of Government controls.

This is not to say that government at all levels, from the local to the Federal, does not perform many essential functions. Government does, and has, for many years. But the Nation's complex of governmental medical programs reinforces rather than replaces our free system. It has been so designed. Not yet have we produced governmental straitjackets to constrain the practice of medicine. By way of contrast, government exercises varying degrees of stringent control over the provision and financing of health care in most every other nation of the world. Further, these controls are not restricted to programs which care for the indigent, but cover entire populations regardless of their need.

Yet, we in the United States remain an exception.

There are two schools of thought about this phenomenon.

One concludes that the absence of governmental controls in medical care is proof in itself that our Nation lags behind the others.

A second school of thought argues that we in the United States are wise to stay away from any sort of governmental programs developed abroad.

I am a staunch believer in this second school of thought. I feel that the tangible results of our unique free system speak for themselves.

In the United States, our health professions never cease their constant search for better methods of treatment, for more effective and powerful drugs, for more efficient techniques to use in the treatment of illness.

#### WORLD'S BEST MEDICAL SCHOOLS

I point, Mr. President, to our medical schools, which are recognized the world over as the best in existence. No longer do we send our young men and women abroad to study medicine. We teach them here, in what are recognized by authorities as the greatest medical schools extant. This is borne out by the increasing number of medical students from abroad who journey thousands of miles to study in the United States.

Who matches us in research? Who matches us in the development of new operating techniques? Who matches our health plants?

Clearly, we stand alone and unrivaled in the field of medical care.

Yet this is not good enough for some Americans. At the very moment when American medicine is acknowledged to be the world's best, these myopic people suggest that we try out the very systems under which one foreign nation after another slipped from a position of medical leadership.

#### THE BRITISH EXPERIENCE

It seems very much to the point, Mr. President, that we observe the lessons learned abroad and apply them to our lawmaking at home. Forget the relative merits or demerits of socialism for the moment, and let us view the British ex-

perience pragmatically; for it is recent, and, it seems to me, pertinent.

The British Labour Party has published a booklet entitled "Members One of Another," which is subtitled "Labour's Policy for Health." On page 2 of that booklet, the following words appear:

But in 8 years of Conservative rule, performance has not matched early promise.

Nearly half a million people are waiting for hospital beds.

Too many doctors' surgeries are still grim and gloomy.

Too many hospitals are still out of date and makeshift.

The mental hospitals are overcrowded and dilapidated, and, despite gallant efforts of those in charge, are quite unsuitable for modern psychiatric care.

The committees and staff of the service have been frustrated by endless administrative delays, and inevitably enthusiasm has been dimmed.

I ask my colleagues to look around in their own communities and in the Nation's Capital to see if this description of hospital and medical services applies in the United States as it does in Great Britain. At this point I cannot resist the temptation to refer to a family experience. About 7 years ago my son was in Scotland and discovered that it was necessary to have an abdominal operation. He went to the British Medical Service, as he was required to do, and was told that, since he was not about to die, they could not get him into the hospital for that operation for at least 6 months. By that time no one knows what would have happened. I am afraid his American father telephoned him and said, "Find a doctor in a private practice who will operate on you as soon as possible, because obviously that is what you need."

I do not know how many people are in the same situation now that he was in at that time—forced to wait 6 months for an operation which in this country would be considered serious enough for immediate action.

I ask Senators to remember that this is the Labour Party itself speaking about its own, dearly beloved creation, the National Health Service.

It seems that all is not well with socialized medicine if this dreary little vignette is accurate—and who would know better than the British Labour Party?

Let me refer the Senate now to another British spokesman, D. S. Lees, Ph. D., senior lecturer in economics at the University College of North Staffordshire, and an expert on the British social services. Speaking before the Institute of Economic Affairs in London last October, Professor Lees had a number of pertinent observations to make on the British National Health Service.

The good doctor's comments are too long for me to read at this point, and I ask unanimous consent that they may be inserted in the RECORD.

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

#### HEALTH THROUGH CHOICE

In Britain, as in other Western societies, individual freedom of choice is a prime social

value. High priority is given to the right of individuals to spend (and save) their own incomes in their own way. This philosophy of freedom requires that governments should provide, through the compulsory payment of taxes, only those goods and services that cannot be provided through voluntary exchange in the market. The classic examples are defense and justice. Further, it is generally accepted that competitive markets result in a more efficient solution than collective provision by government; consumer preferences are more closely satisfied and the cost is lower. Governments have a continuing role to play in keeping markets free from restriction. If they do this, freedom and efficiency can go hand in hand.

The British National Health Service is in conflict with both principles. Under it, medical care is provided by the Government, virtually free of direct charge, with taxes meeting over 90 percent of the cost. The private medical sector is too small to generate effective competition nor, as for most other commodities, is there competition from substitutes or from international trade. The NHS is thus a monopoly of a unique kind, operating without a market and without competition. This is a measure of the revolutionary change that took place in 1948. The sensitive link between consumer demand and the supply of medical care was broken. Competition was eliminated. Dispersion of power was transformed into extreme centralization. The self-adjusting forces of the market were replaced by the single, overriding decision of the Minister of Health.

The NHS is also a monopoly buyer of the services of doctors and dentists, few of whom can earn adequate incomes in private practice. Before 1948, the bulk of medical incomes were determined by supply and demand in the market; since 1948, they have been determined by Ministerial decree. Incomes are settled by periodic bargaining between the Minister and the professional associations and here the Minister has an enormous advantage because the vast majority of doctors and dentists must sell their services to the NHS, or not at all, and this, coupled with the refusal of the medical professions to use strike action, gives the Minister dictatorial power.

The same kind of power extends to the manufacturers of prescription drugs, all of whose domestic sales go to the NHS. Here again, the Minister holds most of the cards.

This circle of governmental control is closed by the medical schools. These are attached to universities and are outside the NHS but the fact that universities rely for three-quarters of their income on public funds gives the Government close control over the intake of medical students and thus over the future supply of doctors and dentists.

Thus under the National Health Service, it is the Government and the Government alone which decides how much medical care there shall be; which fixes the incomes of the medical profession; which sets the prices and profits of drug firms, and which determines the future supply of medical skills.

We are surely right on general grounds to suspect this extraordinary concentration of power. All would be well if governments always made the right decisions. If that were so, the collectivist viewpoint would be irresistible. But there is no such assurance and the mistakes of government are larger and more important in their consequences than those of private groups. In the British medical system, there is no dispersion of decisionmaking power to prevent small mistakes becoming large catastrophes. The equilibrating forces of the market are missing. Nor is there competition to provide built-in guarantees against inefficiency or to stimulate sources of innovation and/or improvement. And while the consumer of

medical care has a wide freedom of choice among the supplies allowed by the Government, consumers as a whole are not free to choose to have a larger total supply in the future, should they so desire.

It is a remarkable fact that the National Health Service had entered its second decade before it was subjected to an analysis in the light of these basic principles. Until then, it was assumed and frequently asserted, that the British system was the finest in the world and thought uncritically that the National Health Service was the only sensible way to arrange health affairs. One reason for this was a misconception of the state of British medical services in 1939—a misconception which the study by Professor and Mrs. Jewkes, "The Genesis of the British National Health Service," has gone far to redress.

Another reason was the paternalistic assertion that, if people were left to their own devices, they would not purchase as much medical care as they ought to do, i.e.; more medical care would be provided by the State than through the free market. The facts have turned out differently. In the United States and Switzerland, where people have free choice, a larger proportion of income is spent on medical care than in Britain and, further, expenditure has increased more rapidly in those countries over the past 10 years. So, far from the NHS pushing health expenditure up, it has held it down.

Thirdly, there was the notion that, if medical care was bought like other commodities, "the rich" would have an unfair advantage. Here again the evidence (supplied this time by Socialist writers) does not bear this out; it has been found that the middle-classes and not "the poor" gained most from the introduction of the NHS. But even if the notion were correct, it does not justify nationalizing health services and supplying them free. The problem is one of the distribution of income and this can be dealt with by means of taxes and subsidies without any governmental intervention in the medical market. This is by far the most effective line of policy: there would be general agreement that nationalization was irrelevant to the problem.

Allied to this was the demand for the abolition of the "financial barrier" between the patient and medical services so that every individual could have ready access to care irrespective of means. The most seductive appeal of the NHS is that its services are free. In a fundamental sense, they are not free; they are paid for by the alternative use of resources foregone: doctors rather than teachers, hospitals rather than schools, medical equipment rather than motor cars. It is another of the dangers of the NHS that it creates the illusion of getting something for nothing. But, that notwithstanding, the NHS does remove the financial anxiety from the users of medical services.

However, to argue for the collective provision of medical care of these grounds is to commit two elementary errors. In the first place, most financial anxiety could be removed in a free medical market by a combination of private insurance and public grants for those in need.

Secondly, the NHS achieves free health services only at the cost of abolishing the market in medical care and substituting centralized control for it. It is easy enough to eliminate prices; it is far more difficult to ensure an increasing supply of improving medical services, and these are more likely to be achieved by discriminating consumers in a free market than by harassed politicians in Government.

The anxiety in Britain today is not financial—it is about the availability and quality of care. Despite the claim in 1948 that only the vast resources of the State could put the war-scarred hospital system on its feet, only one new hospital has been built and strin-

gent restrictions on capital resources have left the British hospital system the most dilapidated in the Western world. Doctors are now no better off (and some are worse off) than in 1939 and this depression of medical incomes in the context of growing prosperity is causing an increasing number of doctors to emigrate, mainly to the United States and Canada. Governmental refusal to expand the medical schools means that the output of doctors is now little higher than prewar, despite increased population and rising demand for service. An acute shortage of doctors is emerging and this will be intensified by early retirements in the next few years. Over half the junior posts in hospitals are now filled by doctors from Commonwealth countries (mainly India and Pakistan) finishing their training: without them, the hospital system would break down. There is a growing shortage of nurses and midwives. Beds are unused through lack of staff and hospital waiting lists are lengthening rapidly. Casualty departments are in a parlous state.

All this is clear from official reports and statistics. No one is in any doubt that the NHS is in a state of gathering crisis. The disagreement arises over the diagnosis. Many still hold that the NHS is "the finest in the world" and that the troubles now besetting it are incidental and can be corrected by enough will and resource on the part of government. I disagree profoundly with this view. My verdict would be that the crisis stems from the fundamental structure of the NHS itself and that wise policy would dismantle that structure and rebuild a free medical market in its place.

Mr. BENNETT. Mr. President, the closing words of Dr. Lees' statement are particularly sad. Wise policy, he says, would dismantle the present structure and rebuild a free medical market in Great Britain in its place. I fear it is too late, however, and that the damage has been done.

The furry young tiger cub brought home as a household pet has grown into a hungry, 600-pound, full-grown tiger; and he is no longer easy to deal with.

#### MIGRATION OF BRITISH DOCTORS

Meanwhile, British physicians are leaving by the hundreds to practice abroad—anywhere abroad where the heavy, deadening hand of government weighs less heavily on their shoulders.

With characteristic British understatement, Dr. John Seale, a consultant in medical economics and health services, writes in the *British Medical Journal*:

The data indicate a mass migration of young British doctors in the last 15 years away from their native land on a scale hitherto unknown. A possible explanation of the phenomenon is that practice in the National Health Service is relatively unattractive to young doctors economically, professionally, and idealistically. The great influx of doctors from India, Pakistan, and other countries to take junior hospital appointments in the National Health Service does not mean that the service has permanent attractions for them. Most come to Britain to enhance their professional standing and then return to their own country—few intend to remain in Britain permanently.

At this point, Mr. President, I can anticipate what many of my distinguished colleagues might say. "What has this got to do with the Anderson amendment?" they might ask. "We are not talking about socializing medicine in the United States. We are simply discuss-

ing a modest plan for financing the health care of the aged under social security."

I feel sure my colleagues are in good faith when they say this. Yet, I have seen a number of remarks quoted in various publications which make me uneasy. I read in "New America," the official publication of the Socialist Party-Social Democratic Federation, a statement by R. W. Tucker, chairman of the Socialist Party's committee on medical economics. He was talking about the Forand bill, which was the forerunner of the Anderson amendments. He said:

Once the Forand bill is passed, this Nation will be provided with a mechanism for socialized medicine, capable of indefinite expansion in every direction until it includes the entire population. And it is already evident that there will be massive pressures in favor of such expansion.

Mr. Tucker must be presumed, as a Socialist, to have expert knowledge of what a mechanism for socialized medicine really is.

#### FOOT-IN-THE-DOOR GOAL

I remember that former Representative Aime Forand said of his bill:

If we can only break through and get our foot inside the door, then we can expand the program after that.

I remember that Walter Reuther, president of the United Automobile Workers, said during hearings before the House Ways and Means Committee:

It is no secret that the UAW is officially on record on backing a program of national health insurance. But even if we were against national health insurance, we would favor passage of the Forand bill.

He went on:

A strong case could be made that this bill should go much further into the range of care provided and the duration of its benefits.

I remember that Ted Silvey, an AFL-CIO lobbyist said, "We will come back for more and more—and more," when asked what his organization would do if the Forand bill were passed.

The Forand bill was not passed, of course. But it was succeeded by a milder version, the King-Anderson bill, and the proponents of the one are still the proponents of the other. We must now consider a variation on the same theme—the Anderson proposal. An innocuous sort of measure, on the face of it.

Or is it? Can this be a younger, more harmless looking tiger cub?

Something over a year ago my friend, the Senator from the great State of Nebraska [Mr. CURTIS] was questioning Wilbur Cohen, the Assistant Secretary of HEW. He asked this question—and I quote from the record of the hearings of the Committee on Finance:

If compulsory health insurance was extended to everybody, the total payroll tax would be up to 19 or 20 percent. If it was a 20-percent rate, the self-employed rate would be 15 percent. With a \$9,000 taxable wage base, the maximum tax on the employee and employer would be \$900 each, and the maximum tax on a self-employed person would be \$1,350, if we do what you advocated today plus what you advocated in 1946.



Do you feel that as much of that man's earnings of \$9,000 as a Federal tax source should be devoted to this one single program of social security as is available to help finance all other activities—the functions of the Government, the paying of the national debt, and the defense of our country?

Mr. Cohen replied simply:

Yes, I do, Senator.

I believe this exchange is as thought-provoking as any I have heard in recent years. Mr. Cohen gazes untroubled at the distant vistas. He is not at all appalled at the prospect of a Federal program which would cost more than all other Government functions and expenditures combined, financed by a total tax without any exemptions of 20 percent on all earnings up to \$9,000.

I urge Senators to ponder this conversation before they let any legislative proposal get its foot inside the door. Bureaucrats are busy plotting for empires—and they will have them, too, if we allow it. In December 1960, the Department of Health, Education, and Welfare had 64,847 employees. By April of this year, that number had risen to 74,901, for an increase of 10,054 employees in 16 months.

Where do we go from here, Mr. President?

We now face the Anderson amendments. I have read them—twice. I have encountered similar proposed legislation in the Senate Finance Committee and may be presumed, therefore, to have a closer acquaintance with such proposals than some of my colleagues in the Senate. But, I can only remark that the amendment's sponsors were wise in routing it directly to the Senate instead of following orderly procedure. Conceivably, they hope to railroad this proposal past the Senate if they can work quickly enough.

#### MACHINEGUN IN VIOLIN CASE

But few Senators would vote "yea" on such a measure if they thought their way through it, phrase by phrase, section by section. For what we have here is a machinegun in a violin case, a bomb in a grandfather's clock.

Perhaps some Senator has done more homework than I, and has somehow managed to read this amendment thoroughly enough to understand it. I confess that portions of it baffle me completely. Perhaps some Senators have had time to think through the far-reaching implications of this proposal by now. I confess that I would prefer more time for study. Perhaps some Senators feel that hearings on such a technical and complex measure are a waste of time.

Perhaps it is on the old theory of "My mind is made up; don't confuse me with the facts." They might feel that our proper course is to pass this proposal before it becomes an issue in the fall elections. I wish that we, as Senators, could hear expert opinion from the people it would affect.

I would think the testimony of physicians, hospital administrators, insurance experts, nurses, actuaries, and even taxpayers would be pertinent to our decision. We are, unfortunately, unable to call these witnesses, because time is run-

ning out between now and the fall elections.

We must deal with a tax increase, of course. It would amount to 69 percent of the present rate for employers and employees and 68 percent of the present rate for the self-employed in the next 6 years.

A worker earning \$4,800 today pays \$150 a year in social security taxes. His employer pays the same amount. A self-employed person earning at least \$4,800 pays \$225.60 a year. The social security tax is already scheduled to rise to \$222 each for employee and employer in 1968. To the self-employed person, that will mean a rise on schedule to \$331.20, without adding the medical benefits.

By 1968, the combined employer-employee tax will reach 9¼ percent while the tax on the self-employed will rise to 6½ percent. Add medical care to these retirement benefits—a mere quarter of 1 percent for employer and employee—and the difference seems trifling. But increase the wage base from \$4,800 to \$5,200, together with the additional amount required to pay for old-age benefits, and both employer and employee will be paying \$253.50 each by 1968, with the self-employed person paying \$379.60, compared with the present amounts of \$150 for the employer and the employee, and \$225.60 for the self-employed.

It hardly seems to me, Mr. President, that a tax increase of these proportions is an unimportant thing—particularly when it is to be used to pay for service benefits instead of cash benefits. That change of approach alone sets a precedent which deserves examination. What happened to the concept of using social security benefits as a floor of protection? Must we now cover our floor with an Oriental carpet?

#### GROWTH OF SOCIAL SECURITY TAXES

The time is rapidly approaching when many of this Nation's wage earners will be paying a higher social security tax than a Federal income tax. By 1968, under the proposed plan, the total social security tax for a self-employed man who earns \$4,000 a year and has three dependents will be \$292. The same man would pay only \$245 in income taxes at the present rates.

Implicit in the amendments, therefore, is a drastic reorganization of our tax structure, with increasing burdens to be borne by those least able to afford it. For as I pointed out before, some 40 percent of the national income will make no contribution to this financing plan whatsoever, based upon a social security payroll tax. Are Senators prepared to go along with so important a revision in our taxing system without thorough study?

How sound are the actuarial studies on which the Anderson amendments base the tax increase and collections? I do not pretend to know, Mr. President, not having been given time to find out, nor has the Committee on Finance been given time to find out.

I can say, however, that the Forand bill would have cost an identical amount, according to its sponsors, for different benefits.

And I can say that the King-Anderson bill would have cost the same amount, with different benefits.

Does the Anderson amendment tailor its benefits to the amount of the tax increase? Or does it tailor the tax increase to the benefits it will provide? Are the benefits the amendment proposes the proper benefits for our aged population, assuming, for the sake of argument, that they are needed at all? And if these are the proper benefits, in ideal balance in terms of health and expenditure, what is the sponsors' authority of believing so?

Will this single tax increase be sufficient to cover the benefits promised? I remember the King-Anderson bill of last year, which called for an increase of one-half percent on employer and employee and an increase in the tax base from \$4,800 to \$5,000. Between the time the bill was introduced and the time hearings were held in the House Ways and Means Committee, that tax increase had already gone out of date. Said the Social Security Administration's Chief Actuary, Mr. Robert J. Myers:

We're sorry that tax increase won't quite do it. We'd better raise the tax base another couple of hundred dollars.

There is also the fact that one of HEW's top researchers reported that the HEW cost estimates for the King-Anderson bill were about one-fourth of the probable costs. I am informed that this researcher's speech was canceled and his full report never issued, but that HEW was never able to stop the circulation of an abstract of it.

#### WHAT WOULD THE BILL COVER?

Thus I feel that we have a right to find out on what basis this tax increase was figured. How did the actuaries determine the cost of hospital care, for instance? Will not the cost of hospital care continue to rise, as all the authorities say it will? The amendment will cover diagnostic tests, but what diagnostic tests is it talking about? Blood tests? Cancer tests? The GI series? The answer to those questions surely affects the cost of this benefit, but the amendment offers no enlightenment.

The amendment provides some sort of insurance option for the beneficiary, but as it is probable that no insurance policy extent embraces precisely the benefit pattern called for, I cannot help wondering whether the insurance option is really an option at all.

Mr. President, I understand that the authors of the amendment are still wrestling with the language of that section, which relates to insurance options, and when the bill actually comes before the Senate the language may be changed. Such changes may be made as the whole amendment was written without the opportunity for committee study.

Certainly I see no mention of the word "premium" in any part of the Anderson amendment. From this I can only conclude that none are involved. I hazard the theory that rather than receiving premium payments for the individuals it insures, the insurance carrier would simply be reimbursed for the

amounts it pays to the providers of services for the authorized benefits.

In other words, the carrier would merely be acting as a middleman, or fiscal agent. However, I have been told that the Senator from New York's [Mr. JAVITS] proposed amendment to the Anderson amendment will presumably rectify this.

I cannot speak with any detailed knowledge, however, on any particular of the bill. I have heard it said that the King-Anderson bill is the least understood piece of legislation in the current Congress. I dispute this. The Anderson amendment will, I predict, succeed to that title. For at least the House Ways and Means Committee held hearings on the King-Anderson bill, and some of us have had an opportunity to scan the record of testimony.

#### A FEW QUESTIONS

I ask, however, that I be allowed to pose just a few of the questions which should be answered as factually as possible before the Senate acts on the Anderson amendment. I ask these questions because we have not been given time to develop the answers through committee hearings, and because I feel the answers are of major importance.

Despite the disclaimers, will the Secretary of Health, Education, and Welfare be given the power to regulate the Nation's hospitals and some of its nursing homes?

Does the nursing home care covered in the amendment amount to as much as 5 or 10 percent of the nursing home care available?

Can it really be said that this measure would not affect the patient's freedom of choice—of hospital or doctor?

Would its passage lead to overuse of our hospitals?

Would this in turn lead to overcrowding of our hospitals?

What would this amendment do to the quality of medical care?

Is passage of such legislation necessary in the first place?

Is there indeed across-the-board need for health services among our aged? Is the health of our older population as bad as the amendment's proponents tell us? And are our aged in the straitened circumstances they are pictured to be?

On what basis have costs been figured? Will those costs increase?

Can the social security system withstand the added burden of a program to change the present pattern and setup and to provide services instead of cash benefits?

Is it wise to set such a precedent?

Do the services, which are estimated to provide less than 25 percent of an older person's health needs, have a predictable cost in the first place?

What would passage of such a measure do to private health insurance and other prepayment mechanisms?

What are the moral byproducts of such a bill when measured in terms of the decline, and perhaps the demise, of voluntary efforts at the community level?

Is it wise to provide benefits to millions of people who are capable of meeting their own health care problems, and who are doing so now?

Is it sound thinking to base a Government program on age instead of need?

What effect would passage have on the traditional Judeo-Christian teachings of individual and family responsibility?

I pause at this point to return to the comment that I made earlier. Based upon a study made by the U.S. News & World Report, those who think that by adopting the proposed program they would prepay the medical care benefits for their own retirement are being sadly misled. Whether they realize it or not, children would have to take care of their parents, only they would not do so directly on a personal basis. They would do it by paying for medical care a generation late.

What is to be gained by eliminating the States' historical responsibility in a vital area of government, and by further diminishing the States' authority?

What pressures will develop to expand and enlarge the benefits and coverage of the bill?

Would not the Anderson amendment, by reason of its very inequities, require broadening?

If costs cannot be controlled, would services be curtailed?

These and other questions occur to me, Mr. President. I hope they will be answered in the course of this debate, as limited as that will be in view of our obligation to settle this matter before it becomes an issue in the fall election, in view of the fact that we now have a limitation of time which has been agreed to by the Senate.

#### POLITICS BEFORE PUBLIC WELFARE

For myself, however, one puzzling question remains:

Why this unseemly haste when our aged population will receive no benefits under the program until January 1, 1964? I suppose the answer to this must be the unsatisfactory reply that we must vote on this amendment before it becomes an issue in the fall elections.

Meanwhile, however, the amendment has been cynically tacked on to the welfare bill, upon which millions of Americans are depending for help.

Passage of the welfare bill will therefore be delayed, Mr. President.

Perhaps that delay will also become an issue in the fall election.

And now, Mr. President, I would like finally to take up the question of the method in which this amendment bypasses the traditional committee system of the Senate. To me that is the one unanswerable argument against consideration of the measure at the present time, and under the present situation here on the floor of the Senate.

First, let me say that I think the administration's attempt to bypass the Senate Finance Committee on this legislation is just one more example of an alarming trend within the present administration of either circumventing Congress or circumventing the normal congressional procedures. In its effort to obtain back-door financing for major programs, in its move earlier this year to get the Urban Affairs Department bill out of committee before the committee had finished its work, in its effort to transfer all power over international

trade from Congress to the executive branch, this trend has been obvious. Earlier this year Congress indicated its unwillingness to surrender its traditional processes to the President in the name of expediency; I hope we will do the same in the case of the bill now before us, and that even these Senators who might favor the bill in principle, if it had been worked out with due deliberation by a Senate committee, will vote against it for procedural reasons out of respect for the Senate's traditional mode of operations.

Let me emphasize that what I am anxious to protect here is not merely a meaningless tradition. There is a very sound reason for the tradition of committee consideration of technical bills, as every Member of this body knows.

We have no better example of this than the tax bill which has been before the Committee on Finance since early April, and on which we are still working in committee.

Only one who has sat through hundreds of hours of testimony on social security bills can appreciate how complex such legislation of necessity must be. During the hearings on legislation such as this, questions inevitably arise which require further research, further study by the staff, further investigation by the administration. To consider such legislation on the floor without the benefit of committee consideration is folly.

Since its inception, the committee system in the Senate has functioned to the benefit of the Nation. It has reduced, if it has not eliminated, error. Are we to junk the Senate's time-honored procedure everytime we are urged to hasty action by an administration concerned more with political profit than with sound laws? I submit, Mr. President, that we cannot afford to do so.

Yet we are being asked to leap before looking, to vote before knowing the facts of a matter which has far-reaching importance to the destinies of every American, a matter which has had no study by any committee.

#### COMPLEXITY OF BILL

The pending bill, H.R. 10606, is a good example of just how complex social security legislation can be. The measure, which is 102 pages long, would amend four titles contained in the Social Security Act. Originally introduced as H.R. 10032 by the administration, the bill was subject to 3 full days of hearings—mornings and afternoons—by the House Ways and Means Committee.

Forty-seven witnesses, familiar with various aspects of the proposal, appeared before the committee to deliver their expert testimony. In addition, 113 others submitted statements on the bill.

Having weighed these arguments pro and con, the House Ways and Means Committee amended the original bill so drastically that a new bill, H.R. 10606, was reported out and sent to the floor.

As is the custom, the Committee report explained in detail exactly what each provision of H.R. 10606 would do. Ample time was then given to each Member of the House to study the Committee report and the 697 pages of the printed hearing.



However, as is the custom in the House, the legislation was considered under a closed rule because of its technical nature, and after 4 hours of debate was passed by a vote of 319 to 69.

During the debate, a number of Members of the House indicated their regret that amendments could not be offered.

When the bill, now 81 pages long, was referred to the Finance Committee, it received 4 more full days of hearings, morning and afternoon. Thirty-six witnesses appeared before the committee. Fifty-six additional statements were filed with the committee.

And after due consideration of all the arguments presented, the Finance Committee reported the bill with a number of important amendments.

#### WELFARE BILL NOW IMPROVED

The welfare bill has now been refined, and I think improved. It has thus far gone through two searching studies and a House debate prior to its consideration by the Senate.

If enacted, it will help many of our citizens who are in need of help.

In addition to providing increases in cash benefits, the bill continues the increased Federal participation in medical care costs incurred by those receiving old age assistance—a participation provided by Public Law 87-31, enacted a little over a year ago. Further, the bill continues the increased Federal participation in medical care costs incurred by those participating in the medical assistance for the aged program, which authorizes liberal Federal contributions to the States to provide medical care for those of the aged who, while able to meet the cost of everyday living, may have difficulty in meeting some of their medical expenses. This law, as the Senators will recall, was enacted late in 1960.

My point, Mr. President, is this:

Complicated legislation can only be understood, changed, improved, and properly refined when the responsible committees of Congress subject it to hearings.

In this case, H.R. 10606 comes before the Senate after such hearings. Its substance has been altered, its provisions have been weighed, its implications and ramifications have been duly explored by those committee members entrusted with that responsibility. And this is as it should be. The Senate can now consider the endproduct of these deliberations in depth in full confidence that the measure before them has been subjected to the closest possible scrutiny beforehand.

Let me contrast now a departure from that orderly procedure.

If the entire social security law can be characterized as complex and technical, and it can, there is no question whatsoever that title II, the Old Age and Survivors Disability Insurance programs, is its most complicated part.

The King-Anderson bill involves amendments to that program. As the Senators know, this bill would provide certain hospital and nursing home benefits, plus a few other health services, to those persons 65 years of age or over who are eligible for OASDI coverage.

To call this bill "controversial" is to utter the understatement of the year.

Perhaps "embattled" would be a better word, for the proponents and opponents of this type of legislation have argued it in and out of the Nation's press, on television and radio, in speech and debate, on editorial pages and in town meetings, in magazines and over the backyard fence, ever since former Representative Aime Forand first threw its predecessor, H.R. 4700, into the legislative hopper.

The bill's power to evoke heated controversy is a byproduct of its far-reaching importance—an importance recognized at first glance by tens of millions of Americans. However, the sparks of controversy have been deliberately fanned into flame by the leaders of labor and their allies within the administration—this, in my opinion, in the hope that public pressures will force the Congress to legislate on the basis of emotion rather than reason.

#### RECORD OF FORAND BILL

Thus far, the Congress has remained firm. The Forand bill—similar to H.R. 4222, in that it too sought to provide health care services to OASDI recipients through the social security financing mechanism—was given 5 days of hearings in 1959 by the House Ways and Means Committee. The committee then voted, by an overwhelming majority, to retain the bill in committee.

The Senate Finance Committee also conducted hearings on the Forand bill and voted to hold the measure in committee. Despite this, an attempt was made—as the Senators remember—to amend the Kerr-Mills proposal by tacking on the Forand bill. This effort, sponsored by Senator ANDERSON, of New Mexico, and the then Senator but now President of the United States, John F. Kennedy, was defeated also.

However, Mr. President, aside from the Senate Finance hearings on the Forand bill, our committee has held no hearings on the legislation which succeeded it—H.R. 4222.

It has not done so for the good and sufficient reason that action on the bill is still being considered by the House Ways and Means Committee.

Is it suggested, Mr. President, that the Senate Finance Committee has thereby been derelict in its duties? I can assure the Senators that this is not the case. I cannot remember when the Senate Finance Committee has been busier than it has this year. We have held hearings on the President's new tax bill; the public welfare bill now before us; two tax extension bills; the debt limit bill; the sugar bill; and the extension of the Renegotiation Act.

I do not think that the Senate Finance Committee can be accused of dilatory behavior in the discharge of its responsibilities; nor do I think that my friend, the distinguished senior Senator from Virginia, need apologize for his own or his committee's application of maximum effort.

Yet, as I have pointed out, the Senate Finance Committee has given no consideration to H.R. 4222. Recognizing the need to proceed in an orderly fashion, the committee earlier this year voted 10 to 7—not on the merits of the bill, but on the procedure involved—to delay con-

sideration of the King-Anderson bill until the House had had the opportunity of taking action. Thus, not one word of testimony from the public has yet been taken on the administration's proposal by the Senate committee assigned by law with the responsibility for dealing with this sort of legislation.

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

Mr. BENNETT. I yield.

Mr. KERR. Is it not true that the Committee on Finance included in its action a definite statement of its purpose to conduct hearings on this measure as soon as it had come from the House to the Senate, in the event it did so?

Mr. BENNETT. The memory of the distinguished Senator from Oklahoma, who is the ranking majority member of the Committee on Finance, is eminently correct. The committee, by its vote, pledged itself to hold hearings on this proposal when it was constitutionally proper for it to take such action.

Mr. KERR. Has the Senator from Utah analyzed the amendment which is before the Senate to determine the extent to which it is a revenue-raising measure?

Mr. BENNETT. It is obviously a revenue-raising measure, because it would add to the social security tax an amount of at least one-half of 1 percent.

Mr. KERR. Is the Senator aware of the fact that if the measure were passed, it would increase the taxes collected under the social security program approximately \$810 million in 1963; more than \$2 billion in 1964; and then an increasing amount each year thereafter?

Mr. BENNETT. The Senator from Utah, earlier in his statement, covered that field in terms of percentages and the cost per person participating in the system, but had not used the particular figures supplied by the Senator from Oklahoma. I appreciate having them in the RECORD.

Mr. KERR. So the measure would be not only a revenue-raising measure but, so far as the Senator from Oklahoma is concerned, it would be a measure intended to raise more new revenue than any other tax measure that I know of which has been passed in some years.

Mr. BENNETT. This is true; and it is interesting to comment, in passing, that we should be asked in this bill to increase the take from the individual taxpayer at a time when the President of the United States is suggesting that individual taxes must be reduced in order to get the economy moving again.

Mr. KERR. The remark of the Senator from Utah is very appropriate, and, I think, of particular significance in view of the fact that one of the authors of the amendment has been making a number of public statements to the effect that it was a matter of great concern and, in his opinion, perhaps of necessity, that Congress take action to reduce taxes, while, so far as I know, he has proposed no legislation to reduce taxes but is vigorously sponsoring a measure which provides for the increase of taxes by a minimum of \$2 billion a year beginning in 1964.

Mr. BENNETT. That is true. He is probably obeying the Biblical injunction

not to let his right hand know what his left hand doeth. But the net effect upon the taxpayer would be to destroy any value of any tax cut of a similar size that may come before the Senate in the next few months, and for which there are very vocal proponents.

Mr. KERR. Certainly the group who would be affected by this measure—that is, the group who would be required to pay the taxes called for by the measure—would individually suffer the effects of a more substantial increase in the amount of taxes they would have to pay than they would benefit under any provision that has yet been suggested for a tax reduction.

Mr. BENNETT. That is the impression of the Senator from Utah. I should like to reemphasize that if the argument is made that the social security tax is for the benefit of the future, and therefore has a moral justification, it is still a tax that has to be paid out now and will have an effect upon the individual taxpayer, as the Senator from Oklahoma has well said.

Mr. KERR. I thank the Senator from Utah. I congratulate him upon the statement he has made, because it is very lucid, appropriate, and accurate, one which I believe to be of great significance. I express my appreciation to the Senator for the work which has gone into the preparation of the statement and for his effort in making it.

Mr. BENNETT. Mr. President, I am grateful for those words of approval and approbation.

As I have already said, the Committee on Finance has given no consideration to the House bill or to the King-Anderson amendment. Earlier this year, the Committee on Finance voted, 10 to 7—not on the merits of the bill, but on the procedure involved—to delay the consideration of the King-Anderson bill until the House had had an opportunity to take action. Thus, not one word of testimony from the public has as yet been taken on the administration's proposal by the Committee on Finance, which is charged by the rules of the Senate with the responsibility for dealing with this sort of proposed legislation.

We must now cope, the administration suggests, with a radically amended variation of H.R. 4222, without benefit of committee study. We are asked to legislate in haste regardless of whether this entails repenting at leisure.

#### LEGISLATION NOT STUDIED BY SENATORS

I find it inconceivable, Mr. President, that the Senate of the United States should be asked to pass legislation which few—if any—of its Members had seen prior to July 2, 1962—only 8 days ago.

Personally, I take it as an affront to a committee that has worked long and hard on major portions of the administration's program; and to one of the hardest-working members of the committee—its chairman, the Honorable HARRY F. BYRD, of Virginia.

To my mind, this challenge to the committee system is justification enough to vote down this amendment.

I ask the sponsors of this proposal whether they now consider themselves an ad hoc committee of the Senate, em-

powered by this body to bypass the Finance Committee when, as, and if it suits the demands of political expediency.

Let there be no doubt on one thing, Mr. President:

This amendment has been drafted and is being handled in this way with the deliberate intention of winning votes.

#### CONGLOMERATE OF PROPOSALS

I regret that I have not had sufficient time to study this proposal—the Anderson amendment—in minute detail. But I have not. Neither have its sponsors. Neither has any other Member of the Senate.

I have, however, reviewed the amendment to the degree possible since its introduction, and I can tell the Senators this:

The amendment seeks to be all things to all men, and succeeds in being a jerry-built conglomerate of proposals glued together with the single purpose of promising something for everyone. A more cynical, a more frivolous, a more irresponsible effort to stampede the Senate into precipitous action has never been encountered, and it is a pity that we are now compelled to spend our time—time which could be used to much better advantage—time which should have been spent in committee—in the consideration of such a legislative monstrosity.

I say to the administration that if they want a law rather than a campaign issue, let them follow the regular procedure for making the law. Let them follow the Constitution and the law of the land, which give the House of Representatives the power to initiate this kind of legislation. Let them use the appropriate committees of Congress in order that the public be heard. Let the administration recall that it is the executive's responsibility to propose laws to the Congress but the responsibility of Congress to the people of this Nation to draft the laws thoughtfully, to the best of its ability, and with the people's freedoms and best interests in mind.

If we follow that course, Mr. President, we will vote down the hastily prepared and hastily considered Anderson amendment, and will consider this legislation in the deliberate and careful manner in which such important legislation should be considered.

I urge the Senate to defeat the Anderson amendment.

#### EXHIBIT I

#### THE UNTOLD STORY OF YOUR SOCIAL SECURITY

This is to be the untold story of your social security. It concerns the pension to which you are entitled in retirement, or if disabled, and to payments to your survivors in event of death.

Social security is a vast system. Old age and survivors insurance alone in this year will involve benefit payments of more than \$13.2 billion. And the total is to grow steadily over the years ahead.

In 4 of the last 5 years, payments to persons drawing benefits have been exceeding income from payroll taxes. Some alarm has been expressed about this deficit between outgo from the social security reserve fund and income into the fund.

That, however, is not the story to be told. Payroll taxes rose on January 1. They go up again on next January 1. Money flowing

into the reserve fund, as a result, once again will begin to total more than money flowing out. Fears about the safety of the fund will subside.

A fact—and questions: A hard and little-understood fact, however, will remain to raise questions.

The fact is this: Benefits promised to people now covered by old age and survivors insurance total an estimated \$624 billion. Reserves now on hand total around \$22 billion. Taxes to be paid by people now covered by social security to support pensions are to be an estimated \$282 billion.

That leaves \$320 billion in benefits to present "policy holders" to be paid by someone else. Who will that be?

The answer, in simple terms, is that this deficit, if it is to be paid, will have to be paid by future workers at tax rates now in the law. Otherwise, persons now in the pension system would have to pay sharply higher taxes.

Pension bargains for people of the present are to become pension burdens for workers of the future.

These workers of the future will pay substantially higher taxes on their earnings—taxes earmarked for social security. They will work over a longer span of life, paying higher taxes all the way, in order that the 68 million others now covered by social security can enjoy pensions and other promised benefits.

One more windfall: It now is proposed that hospital insurance for retired persons be added to the social security system. Once again, if this type of insurance is added, older people will get a bargain. Those retired when the plan would take effect would become entitled, at no cost, to hospital and nursing care valued at thousands of dollars.

Here would be a windfall for persons now retired and those who will retire in years shortly after the plan takes effect.

The tab for the cost would be picked up—as it is being picked up for old age and survivors insurance—by employers and by those who go on working. In the end the cost would fall on employers and on generations not yet working.

In a word: social security programs, to date, represent a gigantic bargain for persons retired, soon to be retired, or fairly well along in years.

For relatively small payments these people are assured of an income on retirement. Men are assured that, when they die, their wives will go on getting an income. There is further assurance that minor children will get checks in event of the man's death. A binding promise is made of a monthly check in event of total disability.

Once the hospital-care program is in the law, pressure will grow to cover hospital costs for all persons covered by social security, whether working or retired. The final step might possibly be to cover doctor bills as well.

Idea—pay later: In each case, planning rests on the idea that future generations will get and pay much of the bill for those who are getting, or stand to get, the bargains of the present.

All of this is part of the strong trend toward special advantages for older people at the expense of the Nation's younger people.

Young people with children to educate, with a house to furnish and pay for, with saving to do if there is to be any venturing, with insurance payments to make, get few favors. Payroll taxes, increased eight times in the past 13 years, will be increased three more times for old age and survivors insurance. Hospital insurance would mean another tax. Then, at some point, there will be unpaid bills from social security promises to meet.

Old people, all of the time, are getting more and more advantages. People age 65 and older get a double exemption on per-



social income tax. If retired, they get a special retirement credit against income tax. The social security pension—for which they paid little—bears no tax. All their bills for medical and hospital care are deductible for income tax purposes.

All of this raises the question whether young people with more votes than old people will go on giving the breaks to the elderly.

For young alternatives: Two courses would be open to them if ever they wanted to get out from under what is to be a growing burden.

1. Inflation of prices can be accepted while a determined effort is made to keep individual pension benefits from rising. In this way, inflation could be used to reduce the pension burden, since pensions would represent a smaller part of an inflated national income.

2. Taxes could be used to take away some of the advantages enjoyed by retired persons. One tax "reform" now under study calls for taxation of social security income. There is some pressure to end many other special deductions extended to older people.

However, experience in the United States and Europe indicates that old people will go on getting their bargains and young people will continue to bear their rising burdens. In Europe there is a strong trend toward shifting to employers a larger and larger part of the social security burden.

The generous attitude of young people is attributed to two factors.

One of these factors is the realization that sometime they, too, will be old and will want some favors.

The other factor is that the young people see social security as a means of spreading the risk that comes from being forced at some point, for most, to care for their own parents.

As it's done abroad: To fill out the untold story of social security, U.S. News & World Report asked its staff members in Europe to explain how those countries—with long experience—have met the rising burden of welfare programs.

West Germany: The idea of national pension plans got its start in Germany. Two world wars, ending in two defeats and destruction of currency, destroyed the pension systems. Yet each time these systems have come back stronger than ever.

To finance old-age pensions, employers and employees each contribute 7 percent of the gross wage. For health insurance they each contribute an added 4.8 percent. An added 0.7 percent goes for sick pay, special leaves, family allowances. On top of it all, employers contribute an average of 16 percent for other fringe benefits. Payroll additions for social security amount, overall, to approximately 45 percent.

Benefit payments in recent years have been adjusted to compensate for price rises. Young people do not appear to object to the burden they carry.

Great Britain: Welfare costs now account for more than a third of all government spending. Workers covered by welfare programs and their employers pay special taxes that pay less than half of welfare costs. In the case of health insurance, three out of every four dollars come from general taxes.

Government subsidizes the whole welfare program, and political pressure is constantly on the side of larger benefits. There is pressure to cut down defense spending so welfare can expand.

Sweden: A 6-percent sales tax was introduced in Sweden 2 years ago to help meet the skyrocketing costs of welfare. Social security benefits now account for 15 percent of national income, compared with 7 percent before World War II.

In 1960, government, central and local, carried 69 percent of welfare expenses, workers 20 percent, and employers 11 percent. Now the pressure is to increase the employers' burden.

France: Social welfare in France extends from maternity grants, family allowances, rent allowances, and hospitalization to old-age pensions and death benefits. The expense falls mainly on employers, who pay about 30 percent on their payrolls. The employee contributes about 6 percent on maximum pay of \$1,920 a year.

Italy: Social security in Italy includes old-age pensions, unemployment insurance, health insurance, maternity benefits, family allowances, and some subsidized housing. The Government contributes 25 percent to the retirement pension fund.

Employers' contributions amount to a tax of about 50 percent of payrolls. Workers contribute approximately 11 percent of their earnings.

In Western Europe as a whole, social security benefits now approximate 15 percent of national incomes. The range, according to official figures, is 12.6 percent in the Netherlands to 16.4 percent in France.

The trend in Europe is toward more and more social services, with heavier and heavier taxes on employers, plus larger contributions by the Government out of general revenues. This suggests that, in the United States, as the years go on, the Government, too, will be called upon to support the pension fund in addition to the payroll taxes that now are scheduled.

Mr. KERR. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. KERR. Was the Senator in the Chamber the other day when the distinguished Senator from New Mexico [Mr. ANDERSON], one of the cosponsors of the amendment, and the distinguished Senator from New York [Mr. JAVITS] were discussing one provision of the amendment and made it quite clear, with reference to section 1716, beginning on page 45, that the sponsors of the amendment had agreed in principle upon what the language of the amendment should be, but were still discussing among themselves the question as to what the language should consist of and provide if and when it were voted upon?

Mr. BENNETT. I was not then on the floor, and did not hear that debate. This is a process which may be safe in committee, up to a certain point; but after we discuss proposed legislation in principle on the floor of the Senate and after the Senate finally votes on it, there is no time, later, to correct the language, except in conference; and inasmuch as this bill has the unique distinction of having originated in the Senate, there is no assurance that it will go to a conference. I understand that some Senators who are joining in support of this measure are still considering changes in the language of their own amendment—changes which probably will be offered to us from time to time, as the debate continues.

Mr. KERR. The Senator's remarks are very appropriate. In fact, when one of the proponents was discussing the amendment, he was asked how many persons would be affected by it; and he had to have considerable consultation with a member of the staff before he was able to determine whether 2½ or 17 million persons would be affected by it—all of which would seem to indicate a real necessity for the Senate to have an opportunity to have one of its committees learn who would be affected by it

and what language it would contain, before the Senate takes final action on it.

Mr. BENNETT. It seems to me that this may be one of the bills with attractive titles, and the proponents are anxious to have the bill passed on the basis of the attractiveness of its title, and are not too much concerned about the details of the bill itself.

Mr. KERR. No doubt the Senator is aware of the fact that approximately 75 pages of legislative matter are involved in the amendment, as it was submitted; and, furthermore, in view of the remarks by the sponsors, it seems likely that many additional pages of language will be included in the amendment before its sponsors will be able to agree upon what the language of the amendment should be when it is voted on.

Mr. BENNETT. Yes, I am aware of that. If this measure had been handled in the regular committee process, the business of reworking the language would have occurred in committee, and we might have had another 75 pages of amendments. However, if such amendments had been worked out in the committee, they would have been carefully considered, and would not have been hastily put together on the floor of the Senate in order to attract a vote here and a vote there or to satisfy a question raised by one Senator or another.

Mr. KERR. And if the committee reported it, the bill would be accompanied by a report which would disclose with great clarity the contents of the proposed legislation.

Mr. BENNETT. Yes; and certainly that is one of the things which it is impossible to have under the process under which we have been working.

Mr. President, in addition to the material which I have previously asked to have printed in the RECORD, I shall ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, several items.

First, I submit a statement of policy regarding the position of the American Farm Bureau on the administration's medical care program.

The American Farm Bureau Federation has consistently taken a firm position against the inclusion and liberalization of benefits which would require an increase in social security taxes.

To bring myself up to date on this matter, I checked with the American Farm Bureau Federation, and was informed that its attitude on this modified bill is adequately presented in an editorial statement released last year by President Charles B. Shuman; and it appeared in Nation's Agriculture for November 1961. This statement is based on the policies adopted by the elected voting delegates in recent annual meetings, and reflects the thinking of more than 1,600,000 farm families in America.

The most recent policy was approved December 14, 1961, and I quote it: "Social security taxes should not be increased to pay medical costs for any portion of the population."

I now ask unanimous consent to have printed in the RECORD the following:

An editorial, from the Nation's Agriculture, dated November 1961, and entitled "Socialized Medicine."

An editorial, from the Wall Street Journal of May 22, 1962, entitled "One Sunday Afternoon."

An editorial, from the Wall Street Journal for June 11, 1962, entitled "A Warning From Mr. Roosevelt."

An editorial, from the Deseret News of Salt Lake City, Utah, dated July 2, 1962, entitled "The Road to Socialized Medicine."

An editorial, from the Salt Lake Tribune, dated June 5, 1962, entitled "A Back-Door Plan To Get Medicare Law."

A news release, dated July 9, issued by the Blue Cross Association, stating its opposition to the "patchwork" Anderson amendment.

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

[From Nation's Agriculture, November 1961]  
STATEMENT OF POSITION OF AMERICAN FARM BUREAU

The next session of the Congress will be brought under great pressure to adopt legislation for the inclusion of medical care for the aged in the social security system. This emotion-charged issue is the entering wedge for national compulsory Government health and medical care—socialized medicine.

One of the original proponents of Government-managed medical care, ex-Congressman Forand, frankly admitted as much when he said: "If we can only break through and get one foot inside the door, then we can expand the program after that."

The current scheme provides for an increase in social security taxes by raising both the tax rate and the amount of earnings subject to tax. The higher revenues would be used to pay for doctor, hospital and nursing home expenses for all aged persons who are on social security regardless of need. The Secretary of Health, Education, and Welfare would develop regulations, determine whether charges were reasonable and, in effect, approve doctors and hospitals of the Nation.

Is there a real need for this new step toward welfare state socialism? In 1960 legislation was enacted providing Federal grants to the States for medical assistance for older people with low incomes.

A recent survey reveals that less than 15 percent of the aged are unable to provide the finances for adequate medical care from their own resources. Approximately 130 million people in the United States are now protected by voluntary prepaid hospital expense insurance. Surgical and medical expense protection for all age groups is being added to this coverage at a very rapid rate.

With this evidence of limited and rapidly diminishing need, why are the proponents of this step toward socialized medicine so insistent on taxing workers to pay the medical bills for the millions of older people, most of whom are able to help themselves?

The answer is obvious. The Government interventionists do not believe that the people are capable of spending their own money wisely. They believe that Government bureaucrats and planners will make better decisions on how to spend the income of the workers than the individuals who earn the money. Furthermore, the more money the Government has to spend, the greater is the power of the politicians in charge.

The vast majority of farmers believe in the maximum possible freedom of choice, competition, and opportunity. They do not want to be assigned to a Government doctor whose income depends on his political standing rather than upon his competence.

Farmers believe in taking care of their own but, when assistance is needed, it should

be administered by local government—not a remote Washington agency. They are alarmed by the potential cost of the constantly expanding social security system—the social security tax rate is already scheduled to rise to almost 10 percent of the payroll base by 1969. They also understand that socialism is government management of individuals and their spending.

Farmers challenge the theory that government "can do it better" or spend more wisely. Government-run schools and hospitals are not superior to private institutions; the Department of Agriculture does not store or market grain as efficiently as the private trade; electricity from public powerplants is usually more costly than from private utilities when hidden costs and tax advantages are considered; government-controlled medicine would be expensive and unsatisfactory.

[From the Wall Street Journal, May 22, 1962]

#### ONE SUNDAY AFTERNOON

Since the days of the ancient Athenians one of philosophy's often expressed fears about democracy has been that its political leaders would yield to the demagogic clamor of the crowd. In our own country's beginning there were men who prophesied that would cause our ending.

Well, we've had our share of demagogues—in our own time Huey Long and Townsend come readily to mind—who made political capital of social discontent. Sometimes, as Congress did back in the thirties on the soldiers' bonus, our political leaders have yielded to the clamor.

But on the whole we have been lucky. While President Roosevelt was responsive to the people's mood, he didn't try to create discontent where none existed before; he opposed not only the soldiers' bonus but also Huey Long and the Townsendites.

So we come to last Sunday afternoon.

Across the land there were 33 great rallies for a bill which, so it is said, is going to take care of the medical bills of all the Nation's old people with hardly any cost to anybody at all. These rallies were sponsored by the administration and arranged by an organization called the National Council of Senior Citizens for Health Through Social Security, created for this purpose. The biggest of these rallies was held in Madison Square Garden in New York under the stage managership of Z. J. Linchtenstein, a professional organizer who learned his business organizing anti-Communist efforts in his native Poland.

All these rallies were addressed by important people, Vice President Johnson spoke in St. Louis, Secretary of the Interior Udall in Kansas City, Secretary of Commerce Hodges in Boston. And so on, with President Kennedy himself at Madison Square Garden, from which his speech was carried to the Nation over three television networks.

President Kennedy's speech, which set the tone for the others, wasted little time on the specifics of the King-Anderson bill; in fact, in all the day's outpourings there was hardly any serious discussion of the problem itself or of any alternative proposals that have been made. Mr. Kennedy's theme was that the people were demanding this particular bill, would have no other, and that it was being blocked only by the wicked machinations of the American Medical Association.

At the Garden, from which the circus had just moved out, there were some 15,000 people, mostly old people in shirt sleeves, come to hear the President's promises and enjoy the entertainment. Bert Parks was master of ceremonies, there was a full-sized symphony orchestra, LaVern Hutcherson and Avon Long did a medley from "Porgy and Bess," and the stars included Robert Merrill of the Metropolitan Opera and Mitch Miller with his Sing-Along group.

It was a very hot day in New York, but the air was festive, and as the old people filed out afterwards most of them were smiling and happy. We suppose it was the same all over the country, where the other rallies could follow the show in New York through an elaborate television hookup.

Such being the mood of the day, there seems little point in our indulging either in any serious discussion about this promise of the Government to take care of us in our old age. It was hard to keep our minds on that anyway, as our thoughts drifted off in another direction.

If it were true, as everybody was saying, that there was already an irresistible clamor from the people for this program, why was it necessary to have this 33-ring circus? Could it be true that the men in Congress who come from our cities, hamlets, and farms have really been so deaf to the voices back home that they have not heard the spontaneous cry for the Government to give us this boon?

And our thoughts wandered even further afield. Like the philosophers of old, we know that it is sometimes difficult for statesmen to resist the cry for bread and circuses. But at the moment we could not recall another occasion, at least in our own country, when all the leading statesmen of the Nation joined the bands and the performers on the stage to urge the crowd to raise a clamor for what they had thought up to give them.

A quarter of a century ago we sat under a hot California sun and heard some simple people dazzled by promises of ham and eggs and \$30 every Thursday. The memory seemed very vivid last Sunday afternoon.

[From the Wall Street Journal, June 11, 1962]

#### A WARNING FROM MR. ROOSEVELT

When Franklin Roosevelt proposed establishment of the social security program in 1935, he was careful to warn Congress against "extravagant action." If the program were "too ambitious," the President said, "its whole future would be endangered."

As the years have gone by, the program has certainly grown a great deal more ambitious, and now there's this enormous political pressure to push it into the field of medical care. The House Ways and Means Committee is scheduled to take up the administration medicare bill this week.

Now we realize that any criticism of the 27-year-old American social security institution is regarded in some quarters as somehow suspect, if not downright unpatriotic. Nonetheless, it's time we paused to ponder the meaning of Mr. Roosevelt's words.

In terms of its later growth, social security got off to a slow start. Farmworkers, domestic employees, and a number of other groups were excluded from coverage. Benefits for the aged were to range from \$10 a month to \$85, and no payments at all were to be made until 1942.

But this initial design was soon altered. Even before the first social security taxes were collected, organized labor was pressing for a liberalization of benefits. In 1939, Congress responded by broadening the program to include dependents and survivors of the aged and, in addition, advanced the date of first benefits to 1940 from 1942. And so it has gone from that time to this, with benefits and coverage being steadily enlarged and expanded, especially in election years.

How has Congress provided for payment of these growing benefits? In the beginning the plan was to build a giant reserve fund, invested in Government bonds, so that eventually interest income would shoulder a large part of the benefit burden. Taxes were to start at 1 percent each on employees and employers, based on the first \$3,000 of each employee's wages, and were to rise to 1½ percent in 1940 and then by stages to an "ultimate" rate of 3 percent by 1949.



But politicians aren't anxious to boost taxes on voters if they think there's any way around it. And with tax receipts running far ahead of benefit payments in the early years of the program, Congress couldn't see anything urgent about tax boosts at all. As a result the tax rate didn't rise to 1½ percent until 1950, a decade behind schedule.

Soon things began closing in on social security and its manipulators. With reserve funds shrinking fast, Congress found that both old and new benefits called for new taxes. So the maximum tax on each employee now is \$150 a year, compared with the \$90 that the lawmakers first thought would be the "ultimate."

And the end isn't even remotely in sight. The reserve fund, in any real sense, is no longer any reserve at all. Its interest earnings each year now equal only about 2 percent of benefits. To keep the program stumbling along on a hand-to-mouth basis, even without the added burden of medical care, tax rates are slated to rise by nearly 50 percent in the next 5 years. It's certain there will be pressure for more benefits, whether medical care or something else. That's the way politicians have been using social security for 27 years.

If the pressures continue to bring action, even higher taxes than those now envisioned will be needed to keep the system from sliding into insolvency. Ironically, the taxes bear hardest on the lower-income groups; as things stand now, earnings above \$4,800 aren't touched. Yet the benefits, because they are tax-exempt, are most helpful to the wealthy. To a person in the 20-percent-tax bracket, \$800 of social security payments is equal to \$1,000 in taxable income. To a 60-percent-bracket taxpayer, the \$800 payment is equal to \$2,000—twice as much.

There are other inequities. Middle-aged and older workers who entered the plan in its early years had the prospect of getting back a good deal more than they put in. But an average worker under 40 who enters the plan now, with tax rates so high and rising, has little prospect of receiving benefits worth even as much as the taxes he paid. Not to mention that the more inflation we have the less his benefits will buy.

As time goes on, the people at work will take on more and more of the burden of paying growing benefits to people already retired. Is there no limit to the load America's active work force will accept?

For the average American, even now, social security is a costly way of buying insurance. That's because a true insurance system operates with a reserve fund, a fund that generates interest income to carry much of the load. Americans, especially labor union leaders who negotiate pension fund agreements, are becoming increasingly familiar with this principle. Will there, at some point, be a public outcry against the high cost of social security?

There is another worry, and this is one that should have special significance for an administration which so often voices concern about the rate of economic growth. To speed growth, the Nation must have more savings and investment. And social security cannot help but divert funds from savings, since it takes over many burdens that otherwise would be carried by insurance. When savings go into regular insurance companies, they are invested in productive enterprise. When funds go to the Government, they merely fuel nonproductive Government spending. Is there no limit to the diversion of savings the Nation can weather?

Entirely aside from all the social implications of expanding social security, the economic questions must be considered now. For the financial planning of most Americans centers on social security, and the system should not be lightly sacrificed for political gain.

In these Democratic days in Washington, you'd think there would be someone willing to listen to Mr. Roosevelt's warning.

[From the Deseret News, Salt Lake City, Utah, July 2, 1962]

#### THE ROAD TO SOCIALIZED MEDICINE

The way the controversial King-Anderson bill on medical care for the aged is being watered down looks like a sure sign that it is in trouble in Congress, as it ought to be.

This makes a mockery of the earlier rosy assurances from the bill's supporters that the measure had overwhelming support and virtually nothing could stop it. If that were really the case, they would not be offering to compromise on certain provisions.

But if what happened to the administration's ill-fated farm bill is any indication, the proposed compromises on the medicare measure won't help it much. The parallel between the farm and medicare proposals is this: At the last minute several "sweeteners" to the farm bill were offered in an attempt to make its harsher provisions more palatable to Congress, but since they didn't alter the bill's basic flaws, they were defeated.

The same thing seems to be the case with the medicare measure. That is, the suggested medicare compromises do meet certain objections—but in the process they create new ones, besides which they do not go to the heart of what's wrong with the medicare bill.

The basic trouble with the proposed compromises is that they try to be all things to all men. Thus, the major changes made in working out the compromise would:

Permit States to set up their own health care plans by sending the participating State a lump sum to provide the basic health care for its aged. This, of course, raises the time-worn objection that it's wasteful and inefficient to raise tax funds in the States, send it—or, rather, part of it—back to the States again.

Place the medical care money in a trust fund separate from the rest of the social security fund: That might not be a bad idea since the social security fund is in such poor fiscal condition. But if that's done, what's the sense in tying the medicare program to social security in the first place?

Cover about 2.5 million persons not under social security. (The original bill would have covered only those persons participating in social security.) The trouble with this is that social security participants evidently would have to shoulder the extra burden of paying for the medical care of those not covered by social security, which would be manifestly unfair.

Permit participants to continue their private insurance plans, with the Government paying for part of the premiums instead of receiving the payments directly from the Government. But since the Government could argue with some justification that it should set standards to determine which private insurance firms would qualify to participate, this might well open the door to further Federal regulation of this particular segment of free enterprise.

Beyond these objections, the compromise medicare proposal is still a scatter-gun approach to the problem. Three-fourths of the population already has some form of medical insurance. Of those over 65, more than half have medical coverage. Moreover, coverage has been growing steadily—so why meddle with progress?

Still another danger is that if the Government is to provide, on a compulsory tax basis, medical services for one age group, why shouldn't it do the same for other groups? The end of this road is clear—socialized medicine.

What it all adds up to is that combining Government and medicine creates an unhappy mixture that would best be left alone.

[From the Salt Lake Tribune, July 5, 1962]  
A BACK-DOOR PLAN TO GET MEDICARE LAW

The administration is making a strenuous effort to get congressional approval of its social security medicare program by round-about, and questionable, Senate action.

Stymied by inability to blast the King-Anderson bill out of the House Ways and Means Committee, administration forces have attached the bill as an amendment to a bill already passed by the House for extension and increase of certain Federal welfare payments to needy persons and dependent children.

Many Senators object to attaching such a vital piece of legislation as medicare as a rider to an unrelated bill. This threatens to destroy, or at least delay, vital legislation on which there is general agreement. The aim is to swing votes to the controversial rider in order to get the initial bill passed.

In this case the welfare bill must be passed promptly or some of these aid programs cannot be continued. Authorization for some of the funds expired June 30. The States, which administer the aid programs, are concerned—which may explain in part why 19 State Governors in their 54th annual conference voted for a resolution favoring the administration's social security medicare program.

Senator ANDERSON, one of the sponsors of the King-Anderson bill, has made certain changes in consultation with Senate opponents of the original measure which he hopes will gain enough votes to get it through the Senate.

But the compromises do not touch the heart of the matter, which is the tying of medicare to social security.

The medical profession opposes this because the doctors are convinced that once health care is tied to social security, it will inevitably expand until most, if not all, health care is brought under Government control and financed through federally imposed taxes.

Walter Reuther, head of the United Auto Workers, who has advocated many socialistic causes, made this very clear in his testimony before Congress. He said: "If we can get the principle established, we want to build on that principle." President Kennedy himself has described the King-Anderson bill as just a start.

Once health care of even the limited kind spelled out in this bill is tied to social security, we do not doubt it will inevitably expand, first to give a better level of care to older citizens, then to extend social-security health care to other age brackets.

It may be that the people of the United States want to adopt a scheme of socialized medicine such as is in effect in Britain and in many European countries.

But if so, it should be with eyes open, and after full debate, not by a foot-in-the-door subterfuge based on first establishing the principle and then building on it to accomplish full social-security financed health care.

The Tribune does not believe this country wants socialized medicine. We do not believe social security should be distorted by paying for health services rather than paying pension benefits based on previous earnings.

Furthermore we do not think a fair test has been given the aim of providing adequate medical care for the aged through the Kerr-Mills law, or through further extension of the voluntary health insurance programs which have already done so much to bridge the medicare gap.

It is regrettable that this whole problem has become such a political issue, charged with emotionalism, and characterized by misinterpretation and subterfuge.

Social security medicare is too vital a decision to be slipped through the back door as a rider on unrelated legislation. It should be

decided on its own merits, with full understanding of where advocates of this foot-in-the-door program intend to take it in the years ahead, once Mr. Reuther's principle of social-security health care is established.

CHICAGO, July 9.—The financing of health care for the aged with Government participation is too important a matter to be resolved by patchwork compromise or expediency, said Walter J. McNerney, president of the Blue Cross Association, today.

In a statement relating to current discussions in Washington, Mr. McNerney said: "There have been many references to Blue Cross during the current debate in the U.S. Senate on the compromise proposal to finance health care for aged citizens. It is stated that the providers of services may select an organization, such as Blue Cross, to represent them in dealing with the Federal Government and that the Secretary of Health, Education, and Welfare may enter into an agreement with the agency so selected to perform some of the administrative functions of the program. Just how this would work out is not clearly defined, but at best it seems that Blue Cross would serve largely as a conduit for money and instructions from the Department of Health, Education, and Welfare to the providers of the services. In our view this is not the most efficient and realistic way in which to utilize the assets and capabilities of Blue Cross plans. It is unfortunate that this and other provisions of the compromise plan have been advanced without the thorough examination warranted by so complex a subject.

"The member plans of the Blue Cross Association are on record to the effect that many retired aged persons need Government assistance to enable them to purchase health protection through the voluntary system. Based on extensive experience in covering more than 5 million aged persons and long standing relations with the Nation's hospitals in every State, the plans feel that the Government assistance to the aged should be related in amount to income levels; that legislation should state benefits only in broad categories so that the realities of changes in medical science and revenues could be reflected; and that Government's relations with Blue Cross should be on an underwriting basis rather than a cost plus basis; i.e., Blue Cross, to the extent that it is involved, should assume the risks at a given rate for a given period of time. The scaled income provision would help those aged who need it the most; it would encourage preservation of present coverage; and it would avoid a means test. Furthermore, an underwriting basis would enable the Congress and the administration to determine annual costs in advance, and would preserve to the highest possible degree the concept of local responsibility through local plan administration.

"Our estimate is that the income from the revenues provided in the amendment proposed in the Senate is not sufficient to cover the benefits described. Furthermore, it is doubtful that some of the benefits could be produced by providers of services because of shortages of skills and facilities in many areas.

"The voluntary system is undergoing an orderly progression in covering disadvantaged groups such as the aged. The control, underwriting and cost relations developed are effective and getting stronger continually. It is hoped that the Congress will do nothing to retard continued progress in this area."

Mr. BENNETT. Mr. President, the Senate has been very patient with me, this afternoon; and I appreciate the opportunity to present these views on the proposal before us. I am afraid I shall have other views to present, and no doubt before the end of the debate I shall

again take the floor, to expand on my views on some of these problems. But at this time, in closing my remarks now, I urge the Senate to reject the Anderson amendment.

#### ORDER FOR ADJOURNMENT

Mr. SMATHERS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until tomorrow at 12 o'clock noon.

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

#### AUTHORIZATION OF APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The Senate resumed the consideration of the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes.

Mr. PROXMIRE. Mr. President, I expect to speak at some length on the authorization bill for the National Aeronautical and Space Administration, and I also expect to call up two amendments in connection with the bill.

I expect to ask for yea-and-nay votes on my amendments. Under these circumstances, it is obvious that the Senate will not be able to take final action on the bill today, because there had been an indication that no yea-and-nay votes would be taken today. Therefore, I shall proceed now with my presentation of the amendments; and I assume that the yea-and-nay votes can be taken tomorrow, if that course is agreeable to the leadership.

Mr. KERR. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. I submit a proposed unanimous-consent agreement, and ask unanimous consent that, in that connection, rule XII, clause 3, be suspended, in order to permit consideration at this time of the proposed agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the proposed agreement will be read.

The proposed agreement was read, as follows:

#### UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective at the conclusion of routine morning business on Wednesday, July 11, 1962, and previous to the limitation of debate on H.R. 10606, under a previously adopted unanimous-consent agreement, during the further consideration of the bill (H.R. 11737) to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes, debate shall be limited to 30 minutes each, on two amendments to be offered by the Senator from Wisconsin [Mr. PROXMIRE], to be equally divided and controlled by Mr. PROXMIRE and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment, the time in opposition thereto shall be controlled by the minority leader

or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received: *Provided further*, That at the conclusion of the debate and vote on the Proxmire amendments, the Senate shall proceed to vote on the committee substitute, as amended, followed by a vote on final passage of the bill.

Mr. KERR. Mr. President, in connection with the proposed unanimous-consent agreement, which I have cleared with the minority leader, the distinguished Senator from Illinois [Mr. DIRKSEN], and with the majority leadership, I request that the agreement now be entered.

Mr. SMATHERS. Mr. President, reserving the right to object—although of course I shall not object—I first wish to ask a question: Is it the opinion of the Chair that, under the proposed unanimous-consent agreement, the only two amendments which could be debated and agreed to tomorrow would be those offered by the Senator from Wisconsin [Mr. PROXMIRE]?

The PRESIDING OFFICER. Under the proposed agreement, no other amendment to the bill would be debatable; and if any other amendment were to be offered, it would have to be offered to the Proxmire amendments and would have to be germane thereto.

Is there objection to the proposed agreement? Hearing none, it is so ordered.

Mr. KERR. I thank the Senator from Wisconsin for yielding to me.

Mr. PROXMIRE. I thank the Senator from Oklahoma.

Mr. President, the bill before the Senate, the Space Agency authorization bill, represents by far the largest proportionate increase in spending by any agency of any significant size in the Federal Government, and in terms of dollar increases, it is perfectly enormous.

Back in fiscal 1960 the appropriation for NASA was \$523 million. In fiscal 1961 it was \$964 million. This current year it is \$1,684 million. In the coming year, on the basis of the bill before the Senate now, it will be about \$3,700 million.

It is predicted that by 1964 the amount is likely to go up to \$5 billion or so; and before the end of the decade it will approach somewhere between \$10 and \$15 billion.

I have chosen to discuss this subject and debate it and offer amendments to this bill because I think it is about time that we have some genuine discussion on the floor of an agency which is expanding with such fantastic rapidity.

I am deeply concerned about the amount involved, and at a later time, when the appropriation bill is before the Senate, I plan to offer an amendment to reduce the amount. This is not the most important of my concerns. In addition, while the space program offers great opportunities for mankind, it is going to have an enormous impact on our economy, small business, education, and particularly the availability of scientific manpower.

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

Mr. PROXMIRE. I yield.



Mr. KERR. In order that the Senator from Oklahoma may be apprised as soon as possible of the amendment or amendments of the Senator from Wisconsin, would the Senator from Wisconsin provide the Senator from Oklahoma with a copy of what he intends to propose as soon as it is available?

Mr. PROXMIRE. I will, indeed. I plan to submit them and have them printed. I will make them available to the Senator from Oklahoma.

Mr. President, as I have said, the monetary aspect of the bill is enormously important. As a matter of fact, the expenditure of \$3.7 billion represents an expenditure of about \$70 for every American family. It is a tremendous increase in cost. But far more important, in my judgment, is the effect it is going to have in other areas. In no area is the impact more important than in the area of education.

#### ADVERSE EFFECT ON AVAILABILITY OF SCIENTIFIC MANPOWER

I suppose there are few Americans who have the grasp, imagination, and ability to speak with real authority on the subject, but certainly one of them is Dr. James R. Killian, head of the outstanding scientific institution, the Massachusetts Institute of Technology. He not only is chairman of the MIT Corporation, but he served as President Eisenhower's first scientific adviser in the postspatnik era. He is thoroughly competent and deeply concerned with national defense, space, science, and education.

Dr. Killian recently said:

The United States must decide whether it can justify billions of dollars for man in space when its educational system is so inadequately supported.

He went on to say:

The Nation must seek to determine whether it is now proceeding too rapidly in this area and whether it can manage the present man-in-space program without weakening other important national programs, including defense.

He said that at the annual dinner of the MIT Institute in New York.

He also said:

I believe that in space exploration, as in all other fields that we choose to go into, we must never be content to be second best, but I do not believe that this requires us to engage in a prestige race with the Soviets. We should pursue our own objectives in space science and exploration and not let the Soviets choose them for us by our copying what they do.

Mr. Killian does not pose the problem of whether we should spend several billion dollars in space or whether that amount should be spent on Federal aid to education. Nor am I proposing that. I am proposing something with more specific direction. I am proposing that we should consider whether or not this authorization, and particularly subsequent authorizations, will have, specifically, an adverse effect on scientific education in this country.

It might have an adverse effect on defense in this country. It might have an adverse effect, as Dr. Killian implies, because there is a shortage of scientific personnel today.

Dr. Killian indicated that he felt that the people of the United States should be given some conception of the scope of our space program, that the Government should not rush blindly into the space program without examining what is involved in the program and determining whether the program is aimed at feasible and concrete goals.

#### NO DOUBT THAT SPACE EFFORT VITAL

Fortune magazine, in a very impressive article for June, dealt with this subject in considerable detail. I wish to quote from the Fortune article because it seemed to me to place the issue before us not only concisely but also very eloquently. The article reads, in part:

There have been some human protests—protests made by humanitarians, who feel that there are still too many things that need doing here on earth before such energy is expended in space, protests made by other sensible people who are appalled at the extravagance, and felt by some religious people who are quite sure that "God doesn't intend us to go to the moon." Objectors of all kinds must face the single devastating fact: they are all too late. It is not that certain formal decisions have already been made (a statement by the President, authorizations by Congress); these are revocable. What is irrevocable is the vaulting ambition of man, which has brought him to the brink of this exploit.

I accept that. The fact is that we are on the brink of this adventure into space. We have to accept the costs involved.

#### ECONOMIC IMPACT

But it seems to me we also have a responsibility of recognizing what this kind of program can do to our economy and to education in the process.

The article further says:

By 1970, according to the most conservative initial estimates, NASA and the military will be spending around \$15 billion a year on space, including \$5 billion on missiles. But almost every space project so far has cost two to three times its conservative initial estimates. Mistakes are bound to be made, failures are bound to occur, and costs and ambitions bound to soar.

The article also says:

The space effort will very likely cost more than \$20 billion a year by 1970.

The Fortune article indicates the way the money will be spent and what it is likely to do to the economy, when it says:

By the time the satellites begin to pay off measurably, say 1970 at the earliest, the United States may have spent \$75 billion to \$100 billion on space activities, and another \$50 billion on missiles. Annual interest on such sums, if reckoned at the prevailing Government securities rate, will be around \$4 billion, enough to pay the Nation's yearly shoe bill; and what might be called the accumulated interest will come to another \$20 billion by 1970, enough to run the whole U.S. railroad system for 2 years or to pay for most of the country's education for a year.

The space program is right now giving the economy a powerful and potentially inflationary boost.

#### SCIENCE MANPOWER THE ISSUE

The article goes on to indicate how much is being poured into the economy. The significant point which I am stressing is the way the money is being poured into the economy and what it may do to

the availability of manpower, especially skilled and trained manpower.

With respect to the economy, the article further says:

1. There will be fewer and bigger contracts.

2. Production runs will decline steadily, and completely reverse the traditional 4-to-1 ratio of shop to engineering personnel. That is, companies will spend more on engineering and less on actual production; in fact, straight production capacity is already excessive. In 1960, Lockheed says, the company's R. & D. awards came to more than the whole Nation spent on defense R. & D. in 1950.

The kinds of jobs to which reference is made are not the kinds of jobs anybody can do after a couple of years in a trade school or after some on-the-job training as a welder. These jobs will increasingly require highly trained, very specialized and skilled scientific personnel.

As the Fortune article says:

The aerospace companies will need not only engineers, but physiologists, psychologists, space-medicine men, chemists, and systems engineers.

It is further pointed out:

This trend may be hard on small business, and doubtless will result in many mergers—of small companies with big, and small with small. For the important contracts from 1965 on will be based on ground support and airborne guidance and control systems, which require large engineering organizations.

There is much more of this documentation, indicating the effect of the program on small business. There is an indication of the effect the program will have on concentration, and so forth. I wish to come to that a little later.

#### AVAILABILITY OF TRAINED SCIENTISTS

Fortune magazine also goes into the principal question which I am discussing this afternoon. It says:

The space effort is the first paramilitary effort in history not accompanied by a demand for heavy hardware and mass-produced materials. Its great demand, instead, is for professional people, and it may relatively soon employ up to a million. Since more and more money will go into manpower, particularly engineers and other technical specialists, the well-worn question of whether the United States is producing enough professionals is no longer academic.

This, Mr. President, is the real question.

By 1970, thanks in large part to the space venture, the United States will need more than 2 million scientists and engineers, or about double the number employed in 1959. A million more will be hard to find. NASA itself will have hired 4,500 specialists by the end of fiscal 1963; since, however, it has gone to a great deal of pains to get talent and also because many professional people would rather work where the big decisions are made at relatively low salaries (\$8,000 to \$20,000), it has managed to hire about 2,000 and expects no great trouble in corraling the other 2,500. Some experts argue that if engineers and high technical talent were used efficiently—i.e., not assigned to sales work and routine technical jobs—the shortage would not be so bad as it seems. But the majority agree that the shortage is already severe, and is bound to get worse as the space industry expands and R. & D. becomes more intensive.

The Fortune article goes on to point out the battle which has gone on for the

scarce personnel, and how this has affected universities, defense industries, and so forth.

Mr. President, the significant question is not whether we should undertake space programs but rather at what rate we should carry on such programs, what goals we should establish for our space effort.

I think that the Senate Committee on Aeronautical and Space Sciences—headed by the distinguished Senator from Oklahoma [Mr. KERR], who is certainly one of the most able Members of this body—has done an excellent job of thoroughly examining the complex details of our present space program and the proposed NASA budget for fiscal year 1963.

#### FUNDAMENTAL PROBLEMS NOT CONSIDERED

If one looks through the hearings, however, one finds little discussion of the long-range implications of the problems involved in our space effort. There was no real discussion that I could find of the scientific manpower problem, at least in great detail, and how the space program might affect the economy.

Today I should like to discuss this question as concisely as I can, in view of the fact that it is a perfectly immense problem.

#### TAX BURDEN IMMENSE

For fiscal year 1962 NASA received a budget of \$1.7 billion. For fiscal year 1963 the committee has recommended \$3.7 billion. The NASA budget estimate for 1964 is expected to be around \$5 billion.

These budget figures give little indication of our Nation's total space effort. The magazine *Missiles and Rockets* claims that for fiscal year 1963 the total budget for the space program will be \$16.2 billion, and that for fiscal year 1964 it will be about \$20 billion. I am referring to an article in the magazine *Missiles and Rockets*, the issue for January 22, 1962. This is the leading journal, on the basis of my information, of the aero space industry.

In the course of the article in this magazine, it is pointed out what an immense impact the total space effort has. Of course, today what we are talking about—what we have before the Senate for consideration—is not the military part of the program—not the defense part of the program, which is the larger in terms of dollars—but the nondefense part of the space program. There have been several estimates as to how much will be spent within this decade on our nondefense space program.

The magazine *Missiles and Rockets* provides a most reliable estimate. This article says the cost will be about \$50 billion for NASA alone. *Fortune* magazine, as I previously indicated, guesses the cost will be about \$75 to \$100 billion.

#### MAN ON MOON \$35-\$40 BILLION

Taking the more conservative estimate, about \$35 to \$50 billion would go into setting a man on the moon; that is, into the Apollo project.

The spacecraft for that project alone will cost around \$10 billion, according to the industry's estimate. Of that amount, about one-half will go to the

prime systems contractor, the major contractor for the project.

The Cape Canaveral spaceport is expected to cost about \$1 billion by 1970.

#### MAJOR SPACE COSTS HIDDEN

In spite of the vastness of both those sums, there is good reason to suppose that a significant part of the cost of the space program is hidden and is not included in the estimates referred to.

Business Week reported on space procurement that:

Actually, bookkeeping has held the space figures well below reality. The program has benefited—and will continue to benefit—from a great deal of money spent under other headings.

For example, NASA has benefited from the development by the Defense Department of ballistic missiles, and also from the use of many military installations. So part of the cost of the space program is hidden in the expenses of the military for missiles.

#### PRIME IMPACT: SCIENTIFIC JOBS

The significance of such a huge space effort is clear. It will magnify rapidly both opportunities and problems. It will provide a great boost to our economy. It will open up 1 million new jobs by 1975. And those are only the direct jobs that will be opened up. In addition to those, the effect on our economy will be even more expansive in the millions of indirect jobs developed. Steel will have to be manufactured, many items must be made of aluminum, and many machine tools must be fabricated.

#### NEW JOBS STEM FROM GOVERNMENT SPENDING

Let us not forget that the entire cost of this vast program will be paid from taxes. Undoubtedly there will be an important and beneficial stimulation to the economy. But it will be bought at a stiff price in higher taxes for every American family, taxes, which as I have pointed out, average \$70 per family, per year, to pay the cost of the program contemplated by the authorization we are now discussing.

But the direct jobs are expected to be 1 million by 1975. Of course, the effect of the direct operation in the specialized areas will be literally beyond our present imagination.

On page 87 of an article in *Business Week*, on the subject of "Space," in the issue of August 19, 1961, the following is stated:

The number of jobs in the space industry figures to rise just as sharply as the number of really big companies in the field will shrink. Already, the industry has marked itself as what the statisticians call labor-intensive—that is, the ratio of men employed to dollar value of product is very high. By 1975, when spending on space—according to one educated guess—will reach an annual \$10 billion, employment in the space field will probably be running around 1 million.

That's a ratio of one worker for every \$10,000 of product. In missile work, most nearly comparable to space, the 1958 ratio was figured at one worker for every \$10,893 of product. Compare that to other industry ratios today: In oil refining there's one worker for every \$99,566 of product; in construction equipment it's \$22,112, in newspapers \$12,329.

The predictable increase in employment in the space industry jobs will not be across

the board. There will be a tremendous increase in the number of skilled, technical, and engineering jobs. But there will be a lack—certainly proportional, perhaps even absolute—in the number of unskilled jobs.

The massive demand for highly skilled people will put a heavy strain on the entire educational system in the United States; schools and colleges will be called upon to provide the human material for the industrial upgrading. If the schools cannot do it, the whole national space effort will be hobbled.

Voracity: Experience to date shows vividly how space work gobbles up workers. McDonnell Aircraft figures that one way and another 200,000 people were connected with the development of the Mercury capsule.

Or take the follow-up contract for the Apollo manned spacecraft. If General Electric wins this job, it figures it will have to add 4,000 to 6,000 persons to the payroll of its missile and space division at Valley Forge. NASA has already added close to 200 people to its staff to work on Apollo.

As for the various unmanned space projects: As least 100,000 new jobs will be opened up when NASA really gets going on its projected Voyager, Mariner, Prospector, Surveyor, and Ranger programs.

It's equally easy to demonstrate why the ratio of skilled to unskilled workers will remain very high as the space program advances. Booster rockets may, in time, get to be fairly standard production items. But the space vehicles themselves, for a very long future, will continue to be specially tailored, highly individual flying laboratories.

Each vehicle will have to be handtooled to its particular mission. Even while the booster rockets are being built, plans will have to be kept flexible enough so that new scientific and technical discoveries can be added to the space craft as they appear.

Clearly, anything remotely resembling mass production is out of the question in space vehicles. It will take expert technicians at almost all levels to cope with such fluid and specialized designs.

Airframe precedent: The airframe industry has already demonstrated—if any demonstration were needed—how the ratio of the highly skilled soars as products become more complex and less standardized. In the wartime days when industry was producing a tremendous volume of a relatively few workhorse types of planes, two-thirds of the employees were industrial workers. Today, making fewer, bigger, much more complicated planes, the industry payrolls show only one-third of industrial workers; all the rest are scientific, technical, and managerial personnel.

The point I am emphasizing is that the program will have a profound employment impact. But upon whom? Not upon people who have been laid off, as are steelworkers and autoworkers today, although the program will have some effect in that area. But the most pressing effect will be on people who are in very scarce supply today and whose growing scarcity has been the object of the deepest concern. These are the scientific specialists who will be particularly needed in that area.

#### NASA POOR RECORD ON ADVERTISED COMPETITIVE BIDDING

In fiscal 1961 NASA spent \$766 million on procurement.

Of that amount 50 percent is in direct awards to business, 15 percent to non-profit or NASA-connected institutions, and 29 percent went to other Government organizations and agencies.



For the information of the Senate, I am speaking today on an amendment which I intend to offer. I shall offer it tomorrow. The amendment which I propose to offer provides in part as follows:

On page 18, line 3, immediately after the section number "Sec. 6," it is proposed to insert the subsection designation "(a)".

On page 19, after line 23, it is proposed to insert the following new subsection:

(b) Section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473), is amended by adding at the end thereof the following new subsection:

"(c) To the maximum practicable extent, purchases of and contracts for property or services shall be made by the administration by formal advertising. No such purchase or contract, or any category thereof, may be entered into by negotiation unless the administrator has determined that the use of advertisement for bids for such purchase or contract, or category thereof, would impair the accomplishment of the purposes of this act. Each such determination shall (1) be made in writing, (2) contain a full and complete statement of the facts and circumstances relied upon by the administrator in making that determination, (3) remain on file in the administration for not less than a period of 3 years, and (4) at all times during that period be available for inspection by any officer or employee of the General Accounting Office designated by the Comptroller General to inquire into compliance by the administration with the requirements of this subsection."

The reason I am offering the amendment is partly because the consequences—and it has been emphasized and reemphasized over and over again—on the economy will be to make big business bigger, and it will provide fewer and fewer opportunities to small business. It is extremely important that we take every precaution we can to see that small business has an opportunity to bid.

My amendment would make it possible for the General Accounting Office to "look over the shoulder," as it were, of NASA when those enormous contracts are let without the useful, cost-cutting discipline of advertised, competitive bidding.

It is my understanding that the GAO at present is not able to evaluate effectively the extent to which NASA's enormous departures from competitive bidding are fully justified.

In formal advertised bidding small business does very well. In the defense area, in which small businesses receive about 10 percent of negotiated contracts, it gets nearly 50 percent of the jobs requiring advertised bidding.

That is very useful from the standpoint of the taxpayer, because on formal advertised bidding we can be sure that the most efficient firm, the lowest cost firm, the firm that bases its figures on cost with no favoritism involved, the firm that can do the best job, gets the job.

As I said, direct awards by NASA to small businesses total about 15 percent. Although 95 percent of businesses are small, they do about 40 percent of the Nation's business. Of the awards to large business, approximately 20 percent of the value is subcontracted to small businesses. Fees on cost-plus contracts average between 6 and 8 percent of the contract dollar. Of the \$423.3 mil-

lion in direct contract awards to business, 56 percent was awarded by negotiation with more than one source, called competitive negotiation, 35 percent by noncompetitive negotiation, single source, and 9 percent or less than \$1 out of \$10 awarded by competitive advertised bidding.

That was for the fiscal year 1961, and that is on the basis of the procurement awards report. The information is quoted from the magazine *Missiles and Rockets*.

Furthermore, in fiscal year 1961 North American Aviation Corp. was the leading contractor for NASA, with \$75 million, or 18 percent of the direct awards. In other words, that one corporation received about twice as much as was procured by NASA through advertised competitive bidding.

It seems to me that the Congress has already expressed its intention in the law that, wherever possible, Government procurement should be by advertised competitive bidding. It makes a great deal of sense, in view of the record of the space agency, and in view of the fact that instances have been reported in the newspapers of the space agency reducing competitive bidding because it was felt that time could be saved. If there is to be a greater opportunity for small business, and if there is to be the greatest possible consideration for the taxpayer, as Members of Congress we should take action to provide in the law that, to the greatest possible extent, and wherever practicable, the space agency should contract through competitive bidding.

#### CONCENTRATION ALREADY SERIOUS

North American not only received 18 percent of the direct space awards, but at the same time it was the third largest Defense Department contractor, with a total of \$964 million. In the fiscal year 1962 the same company was awarded the prime systems contract for the Apollo space contract. The company will receive between \$3.5 billion and \$5 billion for that contract over a period of a few years.

I have some detailed material on that subject which I shall ask to have printed in the *RECORD* at a later time.

All in all, for the fiscal year 1961, seven companies in industry accounted for 50 percent of the direct awards by NASA. Only seven companies received 50 percent of all the space business. The space agency is expanding most rapidly; and, according to some estimates, is likely to have a \$15 billion operation by 1970. It is the big new growing industry in America.

Twenty-five leading companies accounted for 70 percent of the awards. With the budget for NASA growing rapidly, we can expect to see the present situation magnified. There will probably be fewer contracts in successive years, but the contracts will tend to increase in value.

In other words, we will have a situation in which contracts are bigger and big business gets a bigger and bigger share. Here, Mr. President, is a clear predictable, sure drive towards greater and greater concentration. My com-

petitive bidding amendment will prevent the surging tide of domination by bigness from sweeping small business before it at a greater rate than economic realities require.

Even if the percentage of noncompetitive contracts does not grow in the future—which is doubtful—we will probably see nearly a half-billion dollars given without competition to space companies annually within a few years.

Further, with each contract which a company receives, its position for receiving more contracts in the future is bettered: an initial contract snowballs into other follow-on contracts, often given noncompetitively. This will result in the gradual concentration of the ability successfully to fulfill the very complex and technical contracts within the industry.

#### DEFENSE STANDARDS ON COMPETITIVE BIDDING SHOULD BE MINIMUM FOR NASA

The *Wall Street Journal*, for example reported:

Space authorities are dispensing with competitive bidding on some key rocket projects. The direct approach can save as much as 4 months, officials explained. The Space Agency is negotiating directly with Douglas Aircraft for construction of an upper stage, costing \$250 million, for the advanced Saturn rocket. Development of a new liquid-fueled engine for the Nova rocket, a project expected to cost up to \$175 million, may also be allotted to a single contracting source.

While I recognize the urgency with which our space program is viewed, I cannot understand that the need for speed is so great that we should put aside standards which have been set by the military. While sometimes a devastating case can be made for all possible speed with regard to defense, it is hard to understand why there should be any such speed with regard to space. Oh, we want to beat the Russians to the moon, of course, but if we do not beat them to the moon, it will not mean that freedom will collapse. It will be a prestige setback of tremendous importance, but nevertheless we must view these things in their proper proportion. We have a tremendous amount of money, and the interest of the taxpayer clearly involved; therefore, it seems to me that NASA should not forgo proven procedures in order to save a few months or a few weeks.

I can hardly feel that our Nation's defense should have a lower speed priority than the so-called space race.

I have written to the Aeronautics and Space Administration asking them for a report on their procurement policies and procedures. They have answered the letter, and at a later time I shall place the reply in the *RECORD*.

#### SHORTAGE OF SCIENTISTS

The prime consequence of our space program that concerns us is on our scientific manpower. The space industry trade magazines frequently contain articles on NASA search for new scientific and technical manpower with which to fill out its expanded program.

NASA is reported to need 13,000 more engineers and scientists in the next few years. An article in "*Missiles and Rockets*" headlines "Scientists/Engineer



Shortage Worsens." The article goes into considerable detail on this point.

What I am about to say is crucial because it relates to the primary point I am making. In a key article published in "Missiles and Rockets," written by Mr. Heather M. David, the author states:

Concern is mounting at the National Aeronautics and Space Administration as the Nation's force of engineers and scientists continues to shrink.

We are talking about a program which is going to create a tremendous demand for scientists and engineers. Yet the Nation's force of engineers and scientists, according to Missiles and Rockets, is continuing to shrink.

The article goes on:

As engineering schools report lower and lower enrollments, personnel officers of the Nation's space program say the demand for qualified men is skyrocketing—and will probably double within the decade.

Recent surveys show that the number of total engineers enrolled as freshmen has decreased steadily for the past 4 years. The drop is even more dramatic when contrasted against the total yearly increase of freshmen. An informal survey conducted by the U.S. Department of Education shows that in the period from 1953 to 1957, engineering freshmen accounted for about 10.5 percent of all incoming freshmen. This percentage dropped to 9 percent in 1958, 8.2 percent in 1959, 7.3 percent in 1960, and 6.6 percent in 1961.

Even if this percentage is bolstered by the Nation's entry into the moon race, the shortage will be felt for 4 or 5 years as these "low classes" graduate.

It would be different if we had at any time a surplus of engineers and scientists, but we have a very serious shortage. That fact has been called to the Nation's attention by the President of the United States in a recent press conference.

NASA is on an extensive and expensive recruiting campaign to get enough scientists and engineers.

The article continues:

A National Science Foundation study just released says that by 1970 demand for scientific and technical personnel will have doubled.

#### SOVIET UNION RAPIDLY GAINING ON UNITED STATES IN SCIENTIFIC EDUCATION

Meanwhile, it should be noted that the percentage of incoming college freshmen is falling. I should like to contrast this with our great rival in defense and also in the space race—the Soviet Union. This year there was an extraordinarily comprehensive and competent article written by Nicholas Dewitt, of Harvard University, on the Soviet training of engineering and scientific personnel. In the course of his article, Mr. Dewitt said:

Since the average quality of Soviet science and engineering graduates is comparable to that of American graduates, the superiority in numbers must be considered a crucial advantage. It is likely to increase the proportion of above average or outstanding engineers who will emerge from the broader manpower base of the Soviet Union.

Possibly even more significant is the fact that the proportion of university-trained manpower engaged in teaching in the Soviet Union is slightly more than twice that of the United States.

Mr. Dewitt goes into great detail in pointing out how sharply the number of

engineering and scientific graduates is increasing in the Soviet Union as compared with the situation in this country. He points out that whereas 10 short years ago the United States was ahead of the Soviet Union in graduation of scientists and engineers, this year the Soviet Union is graduating far more than we are. As a matter of fact, the relationship is something like 125,000 Soviet engineers and scientists graduated to 45,000 in the United States.

Mr. President, I reserve the right to correct those figures, but they are approximately correct. They indicate the kind of competition we are up against in this area, which is likely to become a serious bottleneck for us when our principal military, economic, and space adversary is concentrating so effectively as only a totalitarian nation, unfortunately, can concentrate.

#### WASTE IN SPACE PROGRAM

Finally, with any program of the size and complexity of the space effort envisaged by NASA today, there is bound to be a certain amount of waste and fat. In spite of the importance ascribed to any space program, Congress must intensively examine each aspect of the program to keep the waste to a minimum. Missiles and Rockets reports that, according to William H. Pickering, president of the American Rocket Society, the Aerospace and related technical industries spend about \$100 million annually in lush, often unnecessary, "technical society meetings," and tack the cost onto the Government bills.

Incidentally, there is an editorial in the magazine Missiles and Rockets, which is entitled "Booze, Blondes, and Bashes," which refers to this waste of money in an industry which has suddenly become lush, and suggests to me that we need to be far more careful in our programs and policies and to insist on competition, to insist on vigorous cost cutting, and attention to the greatest possible economy.

#### NASA PROGRAM—NOT NOW DIRECTLY RELATED TO DEFENSE

It has frequently been said that the United States must beat the Russians in developing a manned space vehicle, in order to have the military advantage of control of space. This argument is often given as a justification for civilian space programs. But Dr. Harold Brown, Director of Defense Research and Engineering, testified during the hearings on the NASA authorization bill that there is as yet no definable military need for manned space vehicles. He even had some doubt that manned space vehicles might ever have a military use. What Dr. Brown proposes to do is to put more time and effort into thinking about how the military could use space and what the other alternatives are to an imagined astronautic weapons system.

#### DEFENSE, NOT SPACE, TOP PRIORITY

Mr. President, it makes sense to me for us to take whatever action is necessary in order to provide the strongest defense. While I have opposed some defense spending because I did not think it contributed significantly to the national defense, I recognize that it is nec-

essary for the American people to spend whatever is necessary in order to do our utmost for defense.

Also, I believe the American people have the imagination to recognize the magnificent potentialities of space. Still, I think we should realize that there is no great urgency involved. It is not a matter of defending freedom; it is not a matter of defending the world; it is not a matter of defending the United States against possible aggression from a Communist opponent. It is a matter of developing, in time, an exciting future for mankind, particularly for Americans.

#### TIMING OF SPENDING—THE REAL ISSUE

So I believe we should think in terms of priorities, not so much as to whether we should do this. We all agree we must spend money for research in space; but as to how rapidly we should do it; how rapidly we should spend the money.

As I said, Dr. Brown, Director of Research and Engineering in the Department of Defense, a top scientist, and the chief scientific adviser to Secretary McNamara, had some doubt that manned space vehicles might have military use.

Another scientist, Lee A. Du Bridge, president of California Institute of Technology, said that our Nation could have a better defense system, in terms of hitting enemy targets with greater accuracy, if we concentrated on earth-based ballistic missiles instead of trying to locate missiles on the moon or on some orbiting manned satellite.

I should like to quote specifically from an article by Mr. Lee DuBridge, published in Harper's magazine for August 1959:

#### SHOOTING FROM THE MOON

Even more interesting problems arise if one thinks of establishing a military base on the Moon and shooting weapons at specific targets on the Earth. The Moon is moving about the Earth at 2,300 miles per hour, the Earth is 240,000 miles away and it is spinning so that any target on its surface is moving along at a speed up to 1,000 miles per hour at the equator. A projectile must first escape from the Moon's gravitational field and then get injected into a suitable Earth-bound trajectory. The time of travel to the Earth will probably be a day or two. Any duck hunter can appreciate the problems of hitting a particular spot on a bird when he is shooting from a car going 2,200 miles per hour (and the bird is also spinning) when the bullet available travels a highly curved path and takes two days to reach the target. It may take quite a lot of practice to attain the desired accuracy under such difficult circumstances. Again we will be lucky at first to hit the Earth at all—still luckier to hit the right side.

I do not mean to deride the proposals which have been made to consider what future the moon has as a base for military operations. It is conceivable. Many things which were sneered at only a few years ago have come true. This may happen in the next decade or two. But to rush along without any more specific relationship to national defense than has been demonstrated in the NASA authorization makes it hard to argue, it seems to me, that this may be justified on a defense basis, especially since three times as much money for missiles is already in the defense budget.



The Senate Committee on Aeronautics and Space Sciences, under the able leadership of the distinguished Senator from Oklahoma [Mr. KERR], has performed excellent service in tackling the complex details of our Nation's space program.

But the long-range implications and problems of our space programs, the impact of the programs on business competition, small businesses, and our scientific manpower; our procurement practices and regulations; and the long-range alternative programs in which the funds could be used, demand more careful consideration than I think Congress has yet given them, either in the House or in the Senate, and in any previous year. That is why I am offering my amendments.

**NASA MUST TAKE SCIENTIFIC PERSONNEL FROM OTHER VITAL JOBS**

Before I discuss my specific amendments, I should like to refer also to some studies which particularly emphasize the major problem I am trying to stress this afternoon; namely, the impact that the space program will have on the very limited supply of scientists, engineers, physicists, mathematicians, and chemists we have at present. I have a letter which was written to me about a week ago by Mr. Howard A. Meyerhoff, Executive Director of the Scientific Manpower Commission. Dr. Meyerhoff writes, in part, as follows:

A substantial number of the people who will be hired—

By NASA, with the funds being authorized in this bill—

must have had varying amounts of experience, hence a substantial portion of the personnel required must be taken from other employment. No information was given us, so far as I can recall, on the ratio between new graduates and experienced technologists, but the competitive demand on both becomes an exceedingly serious factor in projecting the supply-demand situation over the next few years.

In fact, the personnel are likely to come from agencies producing for defense and also from the universities or from industry generally. It is hard to say where they will be obtained, unless they are obtained from the very limited and exceedingly important areas in which personnel are already in short supply; and when I refer to obtaining them from the universities, of course, I refer particularly to obtaining professors and instructors there.

I read further from the letter from Dr. Meyerhoff:

I have been working on the scientific and engineering manpower problem for nearly 10 years, and even if I apply my imagination to my knowledge, I frankly do not know where these people are coming from, unless we are prepared to cut back sharply on the use of competent teachers in our institutions of learning and on research and development in industry and in other Government agencies.

Mr. President, where will they come from?

I read further from Dr. Meyerhoff's letter:

Of grave significance is the fact that the deficit estimated in the Bureau of Labor Statistics projection did not take into account the extraordinary demand of 2,500

technologists by NASA, because the study was made before NASA requirements were announced. If we take the BLS deficit figure of 14,000 and assume the normal ratio between demand for engineers and demand for scientists, the shortage will be enhanced by at least 10 percent through the balance of the decade.

These observations have dealt solely with the effect on the new supply of graduates, but the demand for experienced men and women will have—indeed, is already having—an alarming impact because this need must be met by pirating. NASA has been making a vigorous attempt to add 2,000 highly trained people to its staff before the end of the fiscal year that has just closed. From reports that have reached me, I must conclude that the agency has used all the methods, good and bad, devised by industry to persuade men to change employers. I have no statistical information on the number of people thus recruited but the cries of anguish from several companies suggest that NASA met with a considerable measure of success in its efforts.

The only conclusion I can reach is this: The NASA's manpower requirements have not been integrated and therefore have not been seen in perspective in relation to other overall needs in education, industry, and government. At no time and under no administration has the executive branch of Government given serious attention to this vital aspect of national welfare.

Mr. President, this is why I say that, even more important than this very great increase in the authorization—a \$2 billion increase in this bill, from \$1.7 billion up to \$3.7 billion, which is a very great increase—of greater importance is the question of what this authorization may do to the already limited supply of available scientific manpower.

In his letter Dr. Meyerhoff also states:

The complementary problems posed by NASA and NIH—

Which I shall discuss at a later time, when the appropriation for that agency is before us—

point the dire need to strengthen the manpower function of the Office of Emergency Planning or to create a new agency for the specific purpose of dealing with the problem.

This relates to an amendment which I shall offer tomorrow. The amendment will provide for the making of a study by a commission not tied to any agency, so that the commission can make the study objectively and without prejudice and can let Congress, the President, and the country know what we can do to solve this most serious problem and to move ahead as rapidly as possible with the Space Agency.

Mr. President, I ask that the letter from which I have been reading be printed in the RECORD.

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

SCIENTIFIC MANPOWER COMMISSION,  
Washington, D.C., July 3, 1962.

HON. WILLIAM PROXMIRE,  
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: Mr. Sieverts has asked whether I may be willing to express my views on the manpower needs of the National Aeronautics and Space Administration. Although I am not sure I have thought this relatively new demand on our limited manpower supply through, I am pleased to have the opportunity to do some more thinking in an effort to write you a coherent letter.

The Director of Personnel for NASA presented an outline of this agency's requirements before the Committee on Specialized Personnel of the Office of Emergency Planning. I have been a non-Government member of this committee for some years. He indicated that 2,500 engineers and scientists would be absorbed into the agency and its activities each year for a period not less than 4 years in length. Although requirements extend over a broad range of engineering and scientific fields, they will make the heaviest call upon mechanical, electrical, chemical, metallurgical, and ceramic engineers, and upon physicists, mathematicians, and chemists. A substantial number of the people who will be hired must have had varying amounts of experience, hence a substantial portion of the personnel required must be taken from other employment. No information was given us, so far as I can recall, on the ratio between new graduates and experienced technologists, but the competitive demand on both becomes an exceedingly serious factor in projecting the supply-demand situation over the next few years.

Further to complicate the situation, the Personnel Director of the National Institutes of Health informed the committee of NIH manpower requirements, and although these are predominantly in the biological and medical fields, they total 4,000 or more men and women at the Ph. D. or M.D. level each year through 1970.

I have been working on the scientific and engineering manpower problem for nearly 10 years, and even if I apply my imagination to my knowledge, I frankly do not know where these people are coming from, unless we are prepared to cut back sharply on the use of competent teachers in our institutions of learning and on research and development in industry and in other Government agencies.

Mr. Sieverts asked specifically about NASA, and my subsequent remarks will be limited to the requirements of that agency. In a forecast undertaken for the National Science Foundation, the Bureau of Labor Statistics has predicted a shortage of 14,000 engineers per year, and 2,000 scientists per year, through the year 1970. Personally, I think the estimate for engineers is high, but it does not miss the order of magnitude by much. The figure for engineers could be halved, and the result would still be alarming because engineering enrollments have declined during the past 4 years, and the decline is just being reflected in the number of graduates. In fact, judging from enrollments for the academic year 1961-62 we can safely say that there will be no improvement at all in the situation prior to 1966, and it will undoubtedly be 1970 before the number of engineering graduates returns to the peak level attained in 1959. And that was substantially below the peak attained during the period of maximum GI enrollments in 1950. Of grave significance is the fact that the deficit estimated in the Bureau of Labor Statistics projection did not take into account the extraordinary demand of 2,500 technologists by NASA, because the study was made before NASA requirements were announced. If we take the BLS deficit figure of 14,000 and assume the normal ratio between demand for engineers and demand for scientists, the shortage will be enhanced by at least 10 percent through the balance of the decade.

These observations have dealt solely with the effect on the new supply of graduates, but the demand for experienced men and women will have—indeed, is already having—an alarming impact because this need must be met by pirating. NASA has been making a vigorous attempt to add 2,000 highly trained people to its staff before the end of the fiscal year that has just closed. From reports that have reached me, I must conclude that the agency has used all the



methods, good and bad, devised by industry to persuade men to change employers. I have no statistical information on the number of people thus recruited but the cries of anguish from several companies suggest that NASA met with a considerable measure of success in its efforts.

The only conclusion I can reach is this: The NASA's manpower requirements have not been integrated and therefore have not been seen in perspective in relation to other overall needs in education, industry, and Government. At no time and under no administration has the executive branch of Government given serious attention to this vital aspect of national welfare, and private agencies like the Scientific Manpower Commission lack the resources and the power to perform the task. The complementary problems posed by NASA and NIH point the dire need to strengthen the manpower function of the Office of Emergency Planning or to create a new agency for the specific purpose of dealing with the problem.

I can supply many facts and figures but this letter is already long enough. Do not hesitate to call upon me, however, if you think I can supply additional information that will prove useful.

Sincerely yours,

HOWARD A. MEYERHOFF,  
*Executive Director.*

Mr. PROXMIRE. Mr. President, I should like to ask the Senator from Oklahoma, who has been very patient, several questions about the authorization, because I was not able to obtain the information from the report or from the other documents. I have read criticism of the Jet Propulsion Laboratory at the California Institute of Technology. I understand that the House subcommittee criticized the Jet Propulsion Laboratory setup as centered principally on the \$1,200,000 management fee which NASA will pay the California Institute of Technology in the fiscal year 1963. After noting that NASA owns the land and the equipment and pays the salaries of all the Jet Propulsion Laboratory personnel, the subcommittee questioned whether the management services were worth that sum. I cannot tell whether the \$1.2 million is covered by the bill at the present time, or whether the matter has been rectified, or whether there is justification for the fee; but in view of this public criticism, I thought it only fair, now that we are in the process of authorizing more funds, to obtain an explanation for the RECORD.

Mr. KERR. Mr. President, I shall be very glad to make a brief statement at this time, and, on tomorrow, to place in the RECORD a further statement, in response to the question asked by the Senator from Wisconsin.

I would say that the program to which he has referred—namely, the Jet Propulsion Laboratory, under the direction of the California Institute of Technology—employs some 3,200 technicians, technologists, engineers, and scientists. They have charge of the development of a program estimated to cost in fiscal 1963 about \$200 million; and some of the most technical phases of scientific work are being done on spacecraft for the National Aeronautics and Space Administration.

The fee in question has been fixed by the California Institute of Technology for this service, and is one which the

National Aeronautics and Space Administration felt was justified.

I remind the Senator from Wisconsin that many of the rocketry developments made by our Government, both in the Defense Department and in NASA, have occurred in the Jet Propulsion Laboratory. The first one was the development of rockets during World War II, including the so-called JATO aircraft takeoff boosters. I believe some of the first solid propellant rockets that our Defense Department had were developed in this facility.

For some years the missile work of the Department of the Army, with which Dr. Wernher von Braun and his associates at Huntsville, Ala., were also connected, was handled partly at the Jet Propulsion Laboratory.

Actually, several of the first rockets the Defense Department had available for military use were designed and built at the Jet Propulsion Laboratory, and were, of course, later produced in volume by private contractors. Since the space program began, the program there has been greatly expanded. They design, develop, and test the mockups, the flight models of the first U.S. satellite, Explorer I, and the first Pioneer probe past the moon. They are now actually doing similar work on much more difficult spacecraft—the Ranger, Surveyor, Mariner, Prospector, and other projects in NASA's lunar and deep space exploration programs.

The Senator from Oklahoma has been there. He has gone through the Laboratory and inspected the facilities, as best he could with his limited knowledge.

It would seem to me the brainpower and management that has been mobilized there by Cal Tech and has been made available to our Government, backed up as it is by its record of accomplishment is in reality astonishing. This great cooperative effort, this great service which the Jet Propulsion Laboratory has performed, and is performing, in the judgment of the Senator from Oklahoma is secured on the basis that it is of the highest value to our Government and our space program, and is probably being obtained on as economic a basis as any service which would in anywise compare with it—is being obtained from any other source by either NASA or the Defense Department.

Mr. PROXMIRE. What puzzles the Senator from Wisconsin is that there is authorized in the bill \$10,347,000 for construction of facilities at the Jet Propulsion Laboratory at Pasadena, Calif., and there is an authorization for research, development, and operation of \$2,958,278,000 but with no breakdown. Then, in the hearings, at page 154, there is a discussion of the Jet Propulsion Laboratory, and the number of activities, operations cost, construction program, and so forth, is given. If all the facilities are paid for by the Federal Government, and all the personnel are paid by the Federal Government, I do not understand why \$1,200,000 is necessary as a management fee. Specifically, what personnel are furnished by California Institute of Technology that are worth \$1,200,000, when the personnel and facilities are paid for by the Federal Government?

Mr. KERR. On a long-term basis, it is anticipated that the Jet Propulsion Laboratory will be fully devoted to the efforts of our Government and, therefore, the Government should make the additions necessary, not only in the buildings and laboratories and utility installations, it is the opinion of the space administration, and was the opinion of the committee, that the expenditures are well justified.

The Senator from Oklahoma noted, when he was on the scene, 200 or more trailers, used as emergency office housing, in which highly paid technicians and scientists are being housed at the expense of our Government. It was made quite dramatically clear that, in order to be able to keep the services and the kind of brainpower required for the projects, not only were additional facilities and laboratories necessary for their work, but also a housing environment for the personnel was an absolute necessity.

The distinguished Senator from Wisconsin, in his discussion, has referred to the fact that NASA is utilizing additional units of manpower with highly trained capacity and ability; but if NASA is to be able to command the services of that kind of help, which is absolutely necessary for the successful operation of its program, it must be able to make available to those persons the kind of laboratory and facility environment in which their work will be effective.

Mr. PROXMIRE. The Senator from Wisconsin recognizes the desirability of housing facilities, and certainly would have no objection to an allowance for that; but the Senator from Wisconsin understands that this is a management fee to Cal Tech. Although the Government owns the land, has bought the facilities, and pays the personnel, nevertheless, somehow, Cal Tech is to be paid \$1,200,000 during the coming fiscal year, according to this report.

Mr. KERR. The Senator is absolutely correct. I may say to the Senator that NASA inherited the operations of the Jet Propulsion Laboratory. Prior to the legislation establishing the National Aeronautics and Space Administration, the Laboratory was doing similar work for the Defense Department. I believe the particular agency it was connected with was the Army Ordnance Corps.

The Senator can understand that the securing of the brainpower necessary for the management of this facility might not be available anywhere else if the program at Jet Propulsion Laboratory were not carried forward on the very fine foundation of the experience it has had, the knowledge available there to start with, and the experience obtained in connection with these programs.

My judgment is that the National Aeronautics and Space Administration would be very hard put to secure the kind of services anywhere else that are being obtained there under the leadership of a topflight educational institution. Certainly, if that program were not being carried forward, it would bring about a disruption in the progress of the future of NASA, which I am sure the Senator from Wisconsin would not want to participate in provoking.



In order to maintain the operation and management by Cal Tech, I am sure the Senator is aware of the fact that Cal Tech is one of the contracting parties. Neither NASA nor the Government has the power to draft the management ability of Cal Tech, nor to preempt the services of personnel, with great ability and experience in this effort.

This merely means that the basis for payment must be negotiated between NASA and Cal Tech. It was the statement of officials of NASA that the arrangement was one which they felt was equitable and justified and as favorable as they could obtain. Their position in this respect was concurred in by the committees of both the Senate and the House of Representatives.

Mr. PROXMIRE. I certainly do not wish to do anything to jeopardize the Jet Propulsion Laboratory development or its constructive work. I merely wish to learn if there are any specific definite services performed, if there are any number of hours put in by personnel or anything of that kind, in return for the \$1.2 million management fee. In the alternative, is this a contract which is necessary in order to operate in this territory, although the Government owns the land, pays the personnel, and builds the facilities?

What do we get for the money? What specific services are performed?

Mr. KERR. The Senator from Oklahoma has tried very hard to explain to the Senator from Wisconsin what he thought the Government was getting for the money. I would not know how to answer the question in any more detail than I have.

Mr. PROXMIRE. Let me move on to another question.

I understand that some high NASA officials seriously doubt whether the Surveyor spacecraft will provide data on the lunar surface and environment in time to be of real value in the planning of the Project Apollo. It is anticipated, I understand, that the first Surveyor launch will not be scheduled until 1964. Because of the problems with respect to reliability of the spacecraft, it is expected to be well into 1966 before any meaningful data can be obtained. By that time NASA expects to have a manned lunar flight, and therefore the Surveyor spacecraft might not be of much service.

I notice there is to be provided, according to the committee report, in fiscal year 1963, the sum of \$97,378,000 for the Surveyor spacecraft.

Mr. KERR. The Senator from Oklahoma does not have the ability to look into the future and be able to answer the question asked by the Senator from Wisconsin.

I say to the Senator that the plans by NASA to put a man on the moon are not finalized. There is no one in NASA at this time who knows for certain whether a human being from this earth can live in the space environment for the period of time which will be involved in getting a man to the moon. It is thought that the scientists will be able to solve the problems connected with the program. The expectation is that the program will

move forward as rapidly as a firm foundation for progress can be established, as rapidly as experience can be obtained, much of it from the Ranger and Surveyor programs.

The Agency is aware of the fact that each year discoveries will be made, as we move forward in this program, which will necessitate reevaluation of projects. Certainly at this moment NASA cannot be positive as to the extent to which the Surveyor program will become an absolute reality. It is the present judgment that the Surveyor spacecraft will make the first soft lunar landing attempt. It is presently scheduled for 1964 and this in my judgment will be a timely accomplishment in the program to achieve a manned lunar return in this decade.

The Senator is aware of the fact that our Atomic Energy Commission is now engaged in a number of test firings. They are carrying out tests of designs which, since the cessation of test firings some years ago, have been developed in the laboratories and on paper but which have not been tested by real explosions.

We realize that regardless of how much knowledge or how much scientific ability the scientists in our atomic energy program may have, in order to verify their conclusions and their opinions they must "test out" the items which they develop in their laboratories and on paper.

NASA, in this early part of its efforts for interplanetary exploration, part of which involves the effort to send some men to the moon and back, finds it necessary to develop the program in the light of the knowledge available, on the basis of the best scientific ability available, and believes this is the proper way to proceed.

The Senator knows that in respect to these great programs changes will occur by reason of steadily acquired experience and knowledge. The Senator from Oklahoma does not have the ability to assure the Senator from Wisconsin that in this program Surveyor will become a reality and that it will actually land on the moon, but the Senator from Oklahoma is convinced, on the basis of the best knowledge we now have and the best judgment of our scientists, that the Surveyor project will make a great contribution to this program.

This has been explained to the committees. The committees are of the opinion that if our country is to achieve its purpose of being first in the development of space for peaceful purposes as well as for national defense it is the better part of wisdom to go forward with these programs in the manner recommended by our scientists and by those whose experience and knowledge causes them to be entitled to our confidence and our support.

Mr. PROXMIRE. Do I misunderstand the Senator? Is it a correct or incorrect statement to say that the justification for Surveyor under the present circumstances is that it may not be possible for a man to land on the moon or to live on the moon?

Mr. KERR. Not at all. NASA is acting on the assumption that it will be possible.

Mr. PROXMIRE. If it is possible, then does Surveyor serve any function, in view of the fact that the expectation is that we would have a man on the moon by 1966? We would not have Surveyor up, unmanned, until that time, too.

Mr. KERR. While NASA believes that an environment can be developed in which a man can live in space, while NASA believes that a vehicle can be developed which will enable us to send a man to the moon before this decade ends, I assure the Senator that NASA would not send a man to the moon until NASA proved it could put a spacecraft there and do so with what they call an unmanned soft landing, thus proving that if a man were sent to the moon in a vehicle, the vehicle could be landed in such a manner that the landing of it would not cause his destruction.

Mr. PROXMIRE. I thank the Senator very much.

Mr. President, I am nearly through.

Mr. President, before I offer the two amendments about which I have spoken, I wish to call attention to several articles that I have on NASA's tactics in recruiting scientists and personnel, and an article that appeared some time ago in the Washington Post and Times-Herald. The article states as follows:

At the very least, the manpower requirements for the National Aeronautics and Space Administration's lunar program could deplete the country's available trained scientists and engineers.

At the very most, these requirements could seriously hamper many of the Nation's other scientific efforts, and perhaps even cripple its graduate education program.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

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

[From the Washington Post, Jan. 11, 1962]  
CRY IS FOR SCIENTISTS—MOON AIMS STRAIN  
MANPOWER SUPPLY  
(By Howard Simons)

The Nation's commitment to send a manned expedition to the moon will strain U.S. scientific and engineering manpower resources to the breaking point.

This is the view of many manpower experts who, even before the moon venture became a national goal were warning that the Nation had inadequate numbers of trained professionals to meet its continuing needs. Now, the situation threatens to worsen.

At the very least, the manpower requirements for the National Aeronautics and Space Administration's lunar program could deplete the country's available trained scientists and engineers.

At the very most, these requirements could seriously hamper many of the Nation's other scientific efforts, and perhaps even cripple its graduate education program.

#### NASA NEEDS 13,000

To meet its needs, it is estimated NASA itself will require approximately 13,000 or more additional scientists and engineers. How many more scientists and engineers will have to be added by private industry working under NASA contracts—which will be an estimated 85 percent of the NASA budget—is unknown.

Just where these scientists and engineers will be found is also unknown. NASA is already engaged in a massive recruiting

program throughout the country. As a result of this drive there is evidence that NASA recruiters have been pirating personnel from private firms. There also is evidence that private firms working on the moon program have been pirating from NASA.

#### BIGGEST CHALLENGE

There now is danger that space program recruiters will begin to entice scientists and engineers away from other Government agencies and laboratories and then from the universities.

NASA officials concede that finding top-flight manpower is their biggest challenge. One official says, "At our current rates of pay we are not going to hurt anyone too badly." Nonetheless, NASA officials seem to be optimistic that the needed personnel can be found.

Whether this optimism is warranted is questionable. One expert says that the "Nation has never before been faced with a problem parallel to this one." During World War II, he explains, it was possible to turn thousands of scientists and engineers loose on a billion-dollar project such as the Manhattan project to build the atomic bomb, even though this effort disrupted education and all but stopped graduate education.

#### NO SHARP INCREASE

This wartime experience has given planners a dangerous "we did it before, and we can do it again" confidence. But today there is a difference. The multibillion-dollar, long-term space program comes at a time when there are already shortages of scientists and engineers for other massive programs.

Manpower experts are also concerned because there has been no sharp increase in the number of scientists and engineers being trained. Rather, in some cases such as engineers, enrollment has fallen off of late. And the number of Ph. D. students being graduated in the physical sciences has remained almost constant between 1950 and 1960, while the demand for such students has continued to outpace the supply.

One short-term solution being explored is a crash program of upgrading junior scientists and engineers. This would require scientific and engineering personnel to take night courses or on-the-job graduate work. NASA, itself, already follows this approach by subsidizing on-the-job graduate education.

Another longer range approach being explored is to convince industry and the universities that they must enter into a real partnership to provide almost half-time graduate education for employees.

For the longer pull, however, manpower experts are convinced that only a new and greatly expanded program to support graduate study will help the United States to overcome its continuing shortage of adequately trained scientific and engineering manpower.

Mr. PROXMIER. Then in Science magazine, the issue of May 25, 1962, the following statement appeared:

The consequences of this fragmentary approach are now seen throughout what might be called the Nation's scientific-engineering-industrial and academic complex.

#### NASA MANPOWER PROBLEMS

They become visible on a grand scale when the National Aeronautics and Space Administration is forced to raid other Government agencies, industry, and universities to fill its ranks for the \$20 billion manned lunar program.

In Business Week there appeared an article entitled "Casting Wide Nets for Scientists." The subhead was: "NASA's Drumbeating, Itinerant Team of Recruiters Is Just One Aspect of the Gov-

ernment's Effort To Flesh Out Its Expanding Labs. There's Likely To Be a Critical Shortage."

On the basis of my presentation today I wish now to submit two amendments. The first amendment deals with what I consider to be the main problem which is developing out of the space program. There is an enormously serious problem here of scarce scientific manpower.

For that reason I submit an amendment. I shall read it in part because it is reasonably brief and sets forth what I intend to do:

At the end of page 19, add the following new section:

"Sec. 7. (a) There is hereby established a commission to be known as the Space Program Manpower Commission (hereinafter referred to as the 'Commission'), which shall be composed of seven members appointed by the President from individuals prominent in science, education, or public affairs. Members of the Commission shall serve as such during the pleasure of the President. The President shall designate one member of the Commission to be Chairman of the Commission, and one member to be Vice Chairman thereof."

The reason why I have provided for a Presidentially appointed Commission, although I can see why some may favor a group completely under NASA's control and direction, is that I think on the basis of the record and on the basis of human tendencies it is perfectly obvious that if the Commission is going to do an objective job and provide the objective appraisal that Congress needs—and I think needs desperately—it should be done by people who are objective and who are aside and apart from any one agency.

I wish to read one other section of the amendment:

(e) The Commission shall conduct a thorough study and evaluation of the impact of the United States aeronautic and space efforts on United States scientific, research, development, and education resources, with special reference to the training and most efficient use of scientific and engineering manpower. Such study shall include, but shall not be limited to, projections of expected future requirements of the space program in terms of scientific manpower and other resources, the effects of the space program on other private and public research and development efforts, and the implications of the space program for the education and training of scientists and technicians.

Once again I wish to say that in the main the contest with the Soviet Union, in my judgment, will not be determined in the usual military or economic manner. But the fundamental contest is an education contest that nation and system will win which will be best able to train its people in the relevant, appropriate and pertinent scientific skills. Breakthroughs in antimissile missiles or military applications of spacecraft or any other decisive technological advantage depends overwhelmingly on scientific brainpower.

This authorization could conceivably do us more harm than good by pirating scientific personnel from defense work or education to space.

Mr. President, I send the amendment to the desk and ask that it lie on the table. I also ask unanimous consent that the amendment be printed, and also that it be printed in the RECORD.

The PRESIDING OFFICER (Mr. LONG of Hawaii in the chair). The amendment will be received, printed, and will lie on the table; and, without objection, the amendment of the Senator from Wisconsin may be printed in the RECORD.

The amendment is as follows:

At the end of page 19, add the following new section:

"Sec. 7. (a) There is hereby established a commission to be known as the Space Program Manpower Commission (hereinafter referred to as the "Commission"), which shall be composed of seven members appointed by the President from individuals prominent in science, education, or public affairs. Members of the Commission shall serve as such during the pleasure of the President. The President shall designate one member of the Commission to be chairman of the Commission, and one member to be vice chairman thereof.

"(b) Each member of the Commission shall receive compensation at the rate of \$50 per diem for each day in which he is engaged in the performance of the duties of the Commission, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of such duties.

"(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. Four members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(d) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

"(e) The Commission shall conduct a thorough study and evaluation of the impact of the United States aeronautic and space efforts on United States scientific, research, development, and education resources, with special reference to the training and most efficient use of scientific and engineering manpower. Such study shall include, but shall not be limited to, projections of expected future requirements of the space program in terms of scientific manpower and other resources, the effects of the space program on other private and public research and development efforts, and the implications of the space program for the education and training of scientists and technicians.

"(f) The Commission shall submit a report of its activities and the results of its investigation and study (including recommended legislation) to the President and the Congress not later than June 1, 1963. The Commission shall cease to exist on the date of the submission of such report.

"(g) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

"(h) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this section; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates and statistics directly to the Commission, upon request made by the chairman or vice chairman.



"(i) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this section, 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, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the chairman of the Commission, or such subcommittee, or any duly designated member, and may be served by any person designated by such chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

"(j) Appropriations for 'Research, development, and operation' appropriated pursuant to this Act may be used to carry out the provisions of this section."

On page 20, line 1, strike out "Sec. 7." and insert in lieu thereof "Sec. 8."

Mr. PROXMIRE. Mr. President, I submit a second amendment, to which I have already referred. I ask unanimous consent that it may be printed, printed in the RECORD, and lie on the table.

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

The amendment is as follows:

On page 18, line 3, immediately after the section number "Sec. 6.", insert the subsection designation "(a)".

On page 19, after line 23, insert the following new subsection:

"(b) Section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473), is amended by adding at the end thereof the following new subsection:

"(c) To the maximum practicable extent, purchases of and contracts for property or services shall be made by the Administration by formal advertising. No such purchase or contract, or any category thereof, may be entered into by negotiation unless the Administrator has determined that the use of advertisement for bids for such purchase or contract, or category thereof, would impair the accomplishment of the purposes of this Act. Each such determination shall (1) be made in writing, (2) contain a full and complete statement of the facts and circumstances relied upon by the Administrator in making that determination, (3) remain on file in the Administration for not less than a period of three years, and (4) at all times during that period be available for inspection by any officer or employee of the General Accounting Office designated by the Comptroller General to inquire into compliance by the Administration with the requirements of this subsection."

Mr. PROXMIRE. Mr. President, I submit the amendment because the record of NASA in the fiscal year 1961 is that only 9 percent of procurement was by competitive bidding, although advertised competitive bidding is the most economic, efficient, lowest cost, and by far the fairest to small business.

Certainly while the impact of the space program, will be vast and superlative in many ways and its success will make all of us Americans proud. Never-

theless this program is likely to be very difficult if not destructive to small business unless we at least have the kind of provision that would make it mandatory for bids to go on a competitive basis, whenever practicable and any exceptions be justified in writing and available for GAO investigation.

Mr. KERR. Mr. President, I suggest that the amendments be printed in the body of the RECORD so that they will be available to Senators tomorrow. Otherwise I presume there would be no reason for them to be printed, because they might not be available.

Mr. PROXMIRE. I say to the Senator from Oklahoma that I have asked unanimous consent that both amendments be printed in the RECORD, and that both amendments also be printed and made available on the desks of Senators so that they can examine them while the debate is going on, before the roll is called tomorrow.

Mr. President, once again I wish to thank the distinguished Senator from Oklahoma for his usual patience and courtesy. I wish to apologize to him also. I know that it was his understanding that he would be able to complete consideration of the bill today at an early hour. Entirely because of a misunderstanding on my part, the majority leader felt that I would not ask for a ye and nay vote on the amendments. I have decided that we should have roll-calls. That did inconvenience the Senator from Oklahoma, who has been very patient. We must wait until tomorrow for the passage of the bill. I thank him very much.

Mr. KERR. Mr. President, I appreciate the contribution of the Senator from Wisconsin. He has been very kind. The Senator from Oklahoma is desirous of seeing that the proposed legislation has the fullest possible examination and discussion. The Senator from Oklahoma feels that the Senator from Wisconsin has made a contribution to that discussion, and the Senator from Oklahoma wishes to thank the Senator from Wisconsin for what he has done.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article from the December 19, 1960, issue of Aviation Week be printed at this point in the RECORD.

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

#### KILLIAN CAUTIONS AGAINST EXCESSIVE STRESS ON MAN-IN-SPACE PROGRAM

NEW YORK.—The United States must decide whether it can justify billions of dollars for man in space when its educational system is so inadequately supported, Dr. James R. Killian, Jr., said last week.

The Nation must seek to determine whether it is now proceeding too rapidly in this area and whether it can manage the present man-in-space program without weakening other important national programs, including defense, Killian said in a speech at the annual dinner of the Massachusetts Institute of Technology Club of New York. Dr. Killian is chairman of the M.I.T. Corp., and served as President Eisenhower's first scientific adviser in the post-sputnik era.

Killian said, "I believe that in space exploration, as in all other fields that we choose to go into, we must never be content

to be second best, but I do not believe that this requires us to engage in a prestige race with the Soviets. We should pursue our own objectives in space science and exploration and not let the Soviets choose them for us by our copying what they do."

Killian said he did not oppose a man-in-space program but asked that the public be given a better opportunity to understand and to debate the rate at which the United States proceeds with this program. He asked rhetorically, "Will several billion dollars a year additional for enhancing the quality of education not do more for the future of the United States and its position in the world than several billion dollars a year additional for man in space? The image of America may be shaped by the quality of its inner life more than by its exploits in outer space."

The U.S. public should insist on a space program that is in balance with our other vital endeavors in science and technology and that does not rob them because they currently are less spectacular, Killian said. He praised the U.S. space program to date as being well planned and remarkably successful, and said that by concentrating on scientific discovery and practical objectives as improved weather forecasting and communications, we have exploited our own special genius.

The Soviet Union, Killian said, has sought constantly to present spectacular accomplishments in space technology as an index of national strength, and too often the press and the public at large have interpreted these spectacular exploits as indexes of strength.

"It must be admitted that spectacular accomplishments in space technology have enhanced the prestige of the Soviet Union, and we can all admire their achievements. But their expensive emphasis on space exploration will not be enough in the long pull to sustain an image of strength.

"This will only be accomplished by a balanced effort in science and technology. True strength and lasting prestige will come from the richness, variety, and depth of a nation's total program and from an outpouring of great discoveries and creative accomplishments on a wide front by its scientists and engineers."

"Today," Killian said, "the pressures are very great to engage in an item-by-item race with the Soviets. Our man-in-space program is the principal victim of these pressures and it is certain to present some difficult policy questions in the near future.

"It may be argued that the appeal of space exploration by man is so great that nothing will deter his engaging in manned exploration. It also may be argued that our man-in-space program is trying to proceed too fast and that it is on the way to become excessively extravagant and will be justified only as a competitor for world prestige with the Soviet man-in-space program. Many thoughtful citizens are convinced that the really exciting discoveries in space can be realized better by instruments than by man."

Killian pointed out that decisions must soon be made as to how far the United States goes with its man-in-space program and the future scale of total space efforts. He said, "Unless decisions result in containing our development of man-in-space systems and big rocket boosters, we will soon have committed ourselves to a multi-billion-dollar space program.

"I have never seen any public statement estimating the costs of the successive generations of big boosters for man in space or for the other parts of the program," he said. "How many billions of dollars will they cost over the next decade or more? How much is it likely to cost to orbit a man about the earth, to achieve a manned circumnavigation of the moon, or a lunar landing? The public should have some feel for the magnitudes involved."

"However much they may cost," Killian said, "we may decide we must spend the money but we should make this decision with a clear understanding of the startling costs entailed. We should not permit ourselves to slide unwittingly past a point of no return or to make the commitment without comparing its desirability with alternative expenditures."

Dr. Killian urged encouragement of more of the International Geophysical Year type of programs which are managed by non-political, private scientific organizations, and encouragement of more international conferences such as the Conference on the Peaceful Uses of Atomic Energy.

He specifically urged support of the proposed United Nations Conference on the Peaceful Use of Outer Space and on Technical Aid.

Killian said his views were "not consciously shaped by any recent or present political commitment."

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that an article from the June 1962 issue of *Fortune* magazine be printed at this point in the *RECORD*. It asks some very fundamental questions about the need for going to the moon.

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

#### THE BIGGEST LEAP

Truly, man's flight from earth into outer space is the most prodigious stunt in his history. The world will never be the same again (as someone always remembers to say at each of history's crises—and brother, you can say that again). It is easy to predict that in a few years a good deal of all human activity and human thought will be involved one way or another in the adventure, which will have no end as long as man exists on earth. Certainly the conquest of space (if man, who has not yet conquered himself, can be said to have conquered anything) will affect military strategy and international politics, the directions of science and technology, industries, and national economies. But even more profoundly, in ways now unpredictable, it must also affect the human spirit, which, philosophers assert, is the real subject of history.

There have been some human protests—protests made by humanitarians, who feel that there are still too many things that need doing here on earth before such energy is expended in space, protests made by other sensible people who are appalled at the extravagance, and felt by some religious people who are quite sure that "God doesn't intend us to go to the moon." Objectors of all kinds must face the single devastating fact: they are all too late. It is not that certain formal decisions have already been made (a statement by the President, authorizations by Congress); these are revocable. What is irrevocable is the vaulting ambition of man, which has brought him to the brink of this exploit.

This fact must silence the protesters, although it will not remove the tensions. The feeling that the act somehow goes against God's intention and is doomed has the sound of presumption: Beyond the revelation of Sinai and the manifestation of the Resurrection what is known of God's intention? The prediction that man will be denied his goal has more validity in terms of the demonic aspect of the universe—the antilife things of poison gas and meteors and solar flares and utter darkness. A religious argument actually can be made for going, or at least trying: All man is or has is God-given—his comprehension of physical law, his skill, his inquisitiveness, his soaring spirit, and, in fact, his vaulting ambition; since it is his God-given nature, therefore,

that is taking him into space, the surmise cannot be made that the heights have already been divinely denied him. No; religion cannot logically argue against the endeavor from any assumption that man is predestined to failure. But religious and philosophic misgivings might well loom over the possibility of man's triumph; triumph could produce a crisis of the human spirit.

For the conquest of the moon will be the beginning of a new and tremendous leap in man's knowledge. In the leap Sir Julian Huxley predictably sees all belief in the revelation of God in rout before the revelations of science. For some time there has been a truce between religion and science—religion bowing to demonstrable facts, some scientists at least accepting God for His contribution to men's ethical behavior and as an ultimate explanation. Huxley (and a number of colleagues in a book called "The Humanist Frame") has recently reiterated the old challenge: "The emergent religion of the near future," Huxley hopes, "will believe in knowledge." (Its theology will be facts and ideas.) "Instead of worshipping supernatural religions, it will sanctify the higher manifestations of human nature."

Christian leaders so far have had little to say about God and space, leaving the subject to astronauts and inquisitive U.S. Senators. (Did Mr. Glenn feel that God was in space just as on earth? asked Senator WILEY.) One clergyman, however, questioned on the subject, fell into an anxious, even startled, kind of reverie. He finally expressed the concern that an enterprise that must, for its success, reduce men to more or less mechanical adjuncts of a tremendous organization will further endanger the free and independent spirit of the young—a Christian spirit, that is—which he saw already being weakened by the mechanizations of modern life. And after further reflection, he saw beyond that problem a critical problem for the church of retaining for its space-age children, out exploring the galaxies, the Mystery, which he thought stood in danger not of being pierced but in danger of being rejected.

That point is the central one, central to history and to the condition of modern man.

Since this is the beginning of a discussion in which grandfathers will have little part, let's listen to three men of the generation that will reap the whirlwind. One of the three is Zheya Sveltlova, a history student at Moscow University from Zagorsk, one of the last centers of religious faith in Russia. The other two are Peter Ritner, a graduate of Harvard who has written two books, one on Africa, one on Western society; and Gabriel Vahanian, who was born in France, studied at Princeton Theological Seminary, and is now teaching religion at Syracuse.

Zheya's small, triumphant voice, echoing Huxley, issues out of a long report from an American correspondent in Moscow. "When man conquers the universe," Zheya proclaims, "he will learn to believe in himself. It will simply be ridiculous to rely on any force other than himself. People who now believe in God will reject Him. Such belief won't be logical or natural. Man will be stronger than God." Ritner, in a book called "The Society of Space," can be heard laying out his philosophy for the new age: "Let us see if our era cannot build something impressive out of the striking directional progress in man's scientific comprehensions—a philosophic mansion for the confused and homeless contemporary spirit. We cannot know how good God expects us to be. It is even impossible for a man to know with certainty how to be good. \* \* \* But we may confidently declare that God does expect us to be knowing, else He would not have placed minds in our heads, and given us the plenum to unriddle. Perhaps to be knowing is to be good."

Neither Zheya, the atheist, nor Peter, the intellectual, would surprise Gabriel Vahani-

an, the Protestant theologian. He has written a book entitled "The Death of God," not altogether accepting Nietzsche's concept of superman ("God is dead") but rather dramatizing his own conclusion that Christianity no longer informs modern life, that we live in a post-Christian era. It is the culture of Christianity itself, Gabriel writes bitterly, that has destroyed the relevance of Christianity. And so, "The conquest of nature may leave man with a certain feeling of wondrous triumph; but it is bound to be different from his previous wonder about its mysteries. Man may have thanked God for all sorts of natural resources; but technological mastery is bound to affect man in a different relation, or the absence of a relation, to God."

If Gabriel is right the situation will have its irony. Considering, for example, how the barn swallow (weighing a little more than half an ounce) rises every year from South America and flies to a remembered location under a New England roof, and rises again in the smoky autumn and conquers some 5,500 miles back to South America—if God dies, He will die laughing.

But history and the spectacular turn it may be taking will be no laughing matter to Zheya, Peter, or Gabriel, or their tens of millions of contemporaries who stand on the brink, with everything now being prepared for them by their determined governments. The story of these preparations unfolds in this issue of *Fortune*—although no single issue could encompass all the events, the problems, the hourly crises and decisions in which perhaps a million Americans are participating. The main plot as it will develop around Apollo (not the sun god but a multi-ton metal capsule) is described in "The Voyage to the Moon." In this article the reader will discover that the main hero, man, may not have the physiological or the psychological equipment for his role. Lack of gravity may cause him gradually to deteriorate both physically and emotionally. He could be caught in intense radiation from solar flares and destroyed.

The story reaches from Canaveral, with its quarrels, its tensions and triumphs, and its dedicated men and portentous gantries, to Huntsville, Ala., shocked out of its somnolence by the roar of the Saturn. In Huntsville, too, there are dedicated men. In the Marshall Space Flight Center an instrument-maker toiled a year to produce a circular sleeve out of fused quartz with surface irregularities no greater than one five-millionth of an inch.

On the west coast a veteran whose career spans the history of the aircraft industry watches his great North American Aviation Corp., which once manufactured BT-9's for World War II, make the leap to F-1 rocket engines with a 1,500,000-pound thrust. In plants and laboratories in the East, General Electric, bestriding the space-and-defense business (\$1.1 billion) and a commercial business (\$3.4 billion), stands as one of the biggest of the corporations now producing a world of both destructive and benevolent technology. Thousands of corporations are engaged in the vast preparations, while managements are getting acquainted with such arts as molectronics, thermionics, cryogenics, and trying to comprehend the kind of men who comprehend such arts, and learning—sometimes cruelly—new criteria of accuracy and reliability for instruments and machinery. ("They have to last or we're dead.")

Such preparation is having many results. Inevitably, governmental bureaucracy is proliferating. The story reaches into Washington, where a 41-year-old executive from RCA, now director of the Office of Manned Space Flight, is trying to minimize the clashing of wills and orchestrate the country's scientific, engineering, and production talents. New dimensions have been added to defense strategy. Military planners discern a fresh specter, that of orbiting bombs, and



a fresh hope, that of a world made more secure by orbiting "eyes in the sky." Out over the Pacific, Air Force men are recovering satellite capsules that have swept over the Soviet Union, and working to develop cameras that can photograph objects only a little larger than Khrushchev's hat from altitudes of 1,000 miles.

It will be a changed world indeed. It will press new problems upon the lawmakers not only in the area of the domestic economy but in the international area. The Soviet effort has made clear the conflicting, and mutual, interests that lie in the unstaked void over our heads. Changes will enforce themselves on the U.S. economy as the investment spreads. This coming year the U.S. commitment to space will be \$11.6 billion including missiles. By 1970 it will be running at an estimated rate of \$20 billion annually, which will be equivalent to imposing on the country an industry twice the size of the auto industry. "The space venture," says the following article, "is likely to be more durably stupendous than even its most passionate advocates think it will be." The article is entitled "Hitching the Economy to the Infinite." All Americans will be hitched.—D.N.-T.

**HITCHING THE ECONOMY TO THE INFINITE—ALREADY SPACE IS AN INDUSTRY NEARLY THE SIZE OF AUTOMOBILES—IN 8 YEARS IT MAY BE A \$20-BILLION-PLUS BUSINESS—WITH JUST ONE CUSTOMER—THE FALLOUT OF PRODUCTS PROMISES TO BE FABULOUS, BUT THE IMPACT ON THE ECONOMY ALSO HAS A DISTURBING SIDE**

(By Gilbert Burck)

There is no end to space, and so far as the U.S. economy is concerned, there will probably be no end to the space program. Man has hitched his wagon to the infinite, and he is unlikely ever to unhitch it again. A failure or two in the sky can be only temporary, a spur to the next success. And the next success will be merely the prelude to even greater triumph—a project to build Fort Kennedy on the Moon, bigger and better voyages to Mars and Venus, immensely costly expeditions to Jupiter, Saturn, Pluto, and so on ad infinitum. As D. Brainerd Holmes, of the National Aeronautics and Space Administration, remarks, "The lunar program makes sense only if we go on from there." The space venture, in short, is likely to be more durably stupendous than even its most passionate advocates think it will be. It is bound to affect the Nation's economy powerfully and in many ways.

During the next decade alone the United States will loft several hundred scientific satellites and dozens of lunar and planetary probes, and undertake upward of 40 manned space flights. By 1970, according to the most conservative initial estimates, NASA and the military will be spending around \$15 billion a year on space, including \$5 billion on missiles. But almost every space project so far has cost two to three times its conservative initial estimates. Mistakes are bound to be made, failures are bound to occur, and costs and ambitions bound to soar. The space effort (as it is coming to be known in official jargon) will very likely cost more than \$20 billion a year by 1970.

Nothing is more fecund, industrially and socially, than large mobilizations of scientific knowledge and effort; and this is the greatest mobilization of them all. Precisely because the benefits it will bestow on the world will be incidental to the main effort, they may eventually come faster than man's capacity to use them economically. The space effort has already given man an immense psychological boost. Just as the Russian space successes have bolstered Soviet power internally by winning world power and prestige, so U.S. space projects are fortifying the old American optimism, confidence, and

audacity. In thousands of offices and plants as well as in the endless anonymous corridors of Washington, prudent men who customarily discuss mundane prospects warily now talk with easy assurance of landing on the moon and exploring Mars. And they are even more sure of the benefits flowing from space techniques. Hundreds of American-made satellites will soon be buzzing the globe, guiding its navigation, mapping its impenetrable jungles, solving the cosmic riddles of its erratic weather, searching its hostile terrain, and relaying libraries of information and millions of photographs to receivers below. In the long run the space effort promises immense consumption dividends, a fallout of better products and ways of doing things from generating power to calculating probabilities, from packing eggs to treating ailments, real and imaginary.

**A MILITARY THRUST, AN INFLATIONARY BOOST**

Too often forgotten, however, is the fact that such pleasant rewards will be bought at a heavy price—a price that, all other things being equal, the United States might be reluctant to pay. This decade's program alone, which may be only preliminary, could impose unpalatable if not severe burdens on the Nation. It will very likely kill all chances of reducing in our time the Government's share of the economy. It will change, strain, and probably distort the distribution of the Nation's resources. With all its emphasis on planning, both national and international, it could ultimately do violence to private enterprise itself.

Nor will the fabled practical benefits offset the cost of the program for a long time. Washington is teeming with lobbyists and other space partisans assiduously promoting the notion that space is the greatest surefire blue-sky investment ever, sure to pay off at 1,000 percent almost immediately—as if the benefits were the primary aim of the program. Actually, the chief reason for allocating so prodigious a part of the national resources to an accelerated space program is the paramilitary necessity of being in space with the most and the best; and the fact that the United States has divided the effort into military applications run by the Department of Defense and general applications run by NASA does not alter the situation. (The Russians themselves regard NASA as a device for continuing space activities if an arms agreement is signed, which in a way it would be.) Although the space effort may realize a bonanza of practical benefits, it is hardly an efficient way of getting them.

By the time the satellites begin to pay off measurably, say 1970 at the earliest, the United States may have spent \$75 billion to \$100 billion on space activities, and another \$50 billion on missiles. Annual interest on such sums, if reckoned at the prevailing Government securities rate, will be around \$4 billion, enough to pay the Nation's yearly shoe bill; and what might be called the accumulated interest will come to another \$20 billion by 1970, enough to run the whole U.S. railroad system for 2 years or to pay for most of the country's education for a year.

The space program is right now giving the economy a powerful and potentially inflationary boost. In the fiscal year ending this month, the military and NASA together will have spent about \$2.5 billion on space activities (in addition to \$6 billion on missiles and \$7 billion on aircraft); in the coming fiscal year they are scheduled to get appropriations for \$5 billion. Next year, in other words, the space effort alone is adding the equivalent of a good-sized industry to the economy. This boost, according to Fortune's roundup, will help push the economy to capacity by the middle of 1963.

The implications for 1970 and beyond are portentous. Barring a genuine arms agreement—i.e., barring a revolution in the Soviet

state religion—military costs other than missiles may well rise from their present \$43 billion to more than \$70 billion by 1970. So military and space outlays together could come to \$90 billion or more a year. What could this mean? In its projections of the U.S. economy of the 1960's, Fortune estimated that the gross national product (in 1959 prices) would rise from about \$500 billion in 1960 to \$750 billion a decade later, or at a compound annual rate of 4.2 percent. So far, this appears a sound projection. Fortune also estimated that by 1970 defense outlays, including several billion a year spent overseas for military aid, etc., would not exceed 10 percent of the gross national product, or \$75 billion. But if defense plus space outlays rise to more than \$90 billion, the growth of the rest of the economy will be correspondingly retarded unless people work longer or raise their output per hour. Only an industrially opulent country can mount a space effort worthy of the name. But even the most industrially opulent of all nations cannot take the imponderable demands of a huge space program in stride unless it uses its resources with sharply increasing efficiency.

**FEWER AND BIGGER CONTRACTS**

The immediate effect of the space venture on the U.S. economy, besides pumping a lot of money into it, has been to change the pattern of much business profoundly. Space vehicles are the most complex structures ever built, running to thousands of components, subassemblies, and specialized devices; no single company yet has the immediate resources to manufacture whole vehicles. A given project is ruled by the prime contractor, which practices what is known as systems management: The integration of production and research and development, including its own and that of Government and university laboratories, into a final working vehicle. Many companies handle more than one prime contract, but in addition they usually are subcontractors on several others, and thus no one company covers the biggest programs exclusively. The giant North American Aviation Corp., for example, is the prime contractor for the Apollo lunar spacecraft, but it is also a large subcontractor. McDonnell Aircraft estimates it has called in more than 4,000 subcontractors and suppliers on the \$145 million Mercury capsule contract alone.

But even this pattern is changing rapidly as the central effort of the aerospace program shifts from missiles to propulsion and electronics. Missile production, after rising a little, may peak off at something above \$5 billion. Other outlays by NASA (for such things as the moon program) and by the military (for such things as propulsion systems) are climbing toward the \$10 billion mark, which they may reach as early as 1965. "Already," says Harry H. Wetzel, vice president of the Garrett Corp. of Los Angeles, which makes environmental control systems, "the aerospace business is a new game." As Wetzel and others see it:

1. There will be fewer and bigger contracts.
2. Production runs will decline steadily, and completely reverse the traditional 4 to 1 ratio of shop to engineering personnel. That is, companies will spend more on engineering and less on actual production; in fact, straight production capacity is already excessive. In 1960, Lockheed says, the company's research and development awards came to more than the whole Nation spent on defense research and development in 1950.
3. The aerospace companies will need not only engineers, but physiologists, psychologists, space-medicine men, chemists, and systems engineers.
4. As the space program proceeds to moon shots and planet exploration, reliability will become increasingly more important, and



will demand more research facilities that can simulate space environments, more control engineering, more surveillance of subcontractors' and suppliers' quality controls.

This trend may be hard on small business, and doubtless will result in many mergers—of small companies with big, and small with small. For the important contracts from 1965 on will be based on ground support and airborne guidance and control systems, which require large engineering organizations. "We can't exist without small business," cautiously explains Jack Parker, General Electric's vice president in charge of electronic and flight systems. "Yet as the emphasis on quality and complexity becomes greater, it is apt to reduce the amount of work small business may want." Says a blunter spokesman for another large company, in authentic space jargon, "Captive production will increase not only because companies will want to maximize dollar volume in-house, but because schedules must be met reliably. The need for specialized equipment and technical sophistication will inevitably reduce off site work."

NASA is going out of its way to encourage little business; and the very nature of the space and missile program, with its demand for all manner of custom-made specialties, may continue to favor small firms devoted to electronic devices, engineering techniques, special research, and other relatively esoteric services and products. Small companies, as a matter of fact, can offer scientists unique advantages such as participation in top-level decisions; some offer higher salaries and more fringe benefits than big companies, a few offer more money than their own top executives get. T. F. Walkowicz, aeronautical engineer and associate of Laurance Rockefeller, who helped establish such Rockefeller-financed companies as Itek (information technology) and Geophysics Corp. of America (instruments for space research), concedes there will be a shakeout, just as there was in electronics, but argues that the brightest companies will survive and grow. "Brains are what count today, and nobody has a monopoly on brains."

#### WANTED, A MILLION MORE SCIENTISTS AND ENGINEERS

The space effort is the first paramilitary effort in history not accompanied by a demand for heavy hardware and mass-produced materials. Its great demand, instead, is for professional people, and it may relatively soon employ up to a million. Since more and more money will go into manpower, particularly engineers and other technical specialists, the well-worn question of whether the United States is producing enough professionals is no longer academic. By 1970, thanks in large part to the space venture, the United States will need more than 2 million scientists and engineers, or about double the number employed in 1959. A million more will be hard to find. NASA itself will have hired 4,500 specialists by the end of fiscal 1963; since, however, it has gone to a great deal of pains to get talent and also because many professional people would rather work where the big decisions are made at relative low salaries (\$8,000 to \$20,000), it has managed to hire about 2,000 and expects no great trouble in corraling the other 2,500. Some experts argue that if engineers and high technical talent were used efficiently—i.e., not assigned to sales work and routine technical jobs—the shortage would not be so bad as it seems. But the majority agree that the shortage is already severe, and is bound to get worse as the space industry expands and research and development becomes more intensive.

The adventures of a job broker named David O'Brien, who calls himself a headhunter and patrols the country for talent, are to the point. Every week O'Brien gets 200 to 300 job descriptions or requests for men, and has to scratch hard to fill a tiny

fraction of them. Recently, he says, it took \$9,000 worth of newspaper advertisements to recruit two engineers, and \$35,000 worth of his time produced only 38 people. To get a couple of plasma physicists, one firm offered to form a small subsidiary for them. Companies everywhere are hoarding talent, just as industry hoarded lower skills during World War II; and outfits that don't need scientific personnel interview continuously simply to find out what other companies are doing. A class of mobile technicians somewhat like the oldtime railroad boomer has sprung up; they work a while for one company, and then pick up and leave for another one. Many firms welcome them because the itinerants can often give them a good line on what the competition is doing.

To complicate the manpower problem, observes Herbert E. Striner, director of Stanford Research Institute's urban-studies program, many colleges and universities are not training scientists and engineers as well as they should. Most universities and colleges are avid for Government research contracts, which frees money for other research facilities, fellowship funds, and salaries. But some, Striner argues, put graduate students to work on applied research instead of giving them a sound training in basic research.

The President's Science Advisory Committee hopes to make specific recommendations for stimulating the production of scientists, and many other authorities are discharging wisdom on the subject. So as the demand for professional and scientific personnel rises and is reinforced by incentives, the supply is certain to rise eventually too. For a while it probably will not rise fast enough to meet the demand, and important civilian research and development may be temporarily deprived of talent.

In the longer run, however, the space effort will be the prime force in increasing the U.S. scientific and professional population. And in the process it will accelerate greatly the secular tendency for U.S. business to depend more and more on research and development. This trend, in turn, according to a preliminary study made by Dr. Howard Vollmer of the Stanford Research Institute (sponsored by the Air Force), may eventually change the organizational structure of all U.S. industry. That is, it may make U.S. industry less bureaucratic and more intellectually challenging, "with greater opportunity for professionals to participate in work-related decisions."

#### MASS PRODUCTION IN SPACE

The first large-scale matching of corporate enterprise with the commercial possibilities of space is taking place in the communication-satellite program. Possibly no invention will have ever jumped the rugged gap between concept and commercial application so quickly and dramatically as the communication satellite. Like much in the space effort, it has been overtaken. No less an authority than Lloyd V. Berkner, chairman of the space-science board of the National Academy of Sciences, has predicted that it could eventually earn \$100 billion a year. Although such talk has already run aground on cruel reality, the principle of the communication satellite does make economic sense. What it amounts to is a device for the mass production of long-distance wireless communication; once it achieves volume and overcomes a host of problems, it could be nicely in the money.

The economic validity of the communication satellite rests on a genuine technical advantage. Because lower frequencies are overloaded, progressively higher frequencies are necessary to handle the growing volume of radio communication. But when frequencies attain thousands of megacycles per second, the waves travel in a straight line from the transmission tower, are blocked by hills or buildings, and cannot reach beyond

the earth's surface or the horizon. Even in flat country, therefore, their optimum range is about 30 miles. There is no technical problem on land, where relay stations can be built at appropriate intervals; but it makes microwave radio impracticable over the ocean. Transoceanic communication is limited to submarine cables or relatively small capacity or lower frequency radios. Hung high in the sky, satellites could relay a huge volume of traffic, including TV and data-processing signals, across the seven seas.

Essentially, there are two types of satellites: passive, which are merely metallic balloons that reflect or bounce back signals from the earth; and active, equipped with instruments that amplify and relay back the signals. As *Fortune* noted last July ("Laying the Great Cable in Space"), both active and passive systems could be orbited at altitudes up to 7,000 miles. To cover the world at such altitudes—i.e., to make sure a satellite is always visible to ground stations—20 to 30 satellites would be needed. They would also require powerful ground transmitters and sensitive and expensive receiving equipment.

On the other hand, it would take only three active satellites to cover nearly the whole world if lofted 22,300 miles above and parallel to the Equator; at this altitude and placement, they would appear fixed in the sky. But they would be expensive to build, hard to launch and hard to spot, and could be kept in place only by intricate controls. Most engineers tend to favor the high-altitude (synchronous) system because, among other things, it would eliminate the need to switch from one satellite to another as successive satellites rise and set over the horizon. But they concede that complex and expensive launching facilities still have to be developed. And neither system could operate until frequency assignment and other international problems were solved.

In an analysis of the potentials of both a high-altitude system and a low-altitude system, William Meckling of Rand Corp. gets down to dollars and cents. The low-altitude system, with as many as 120 satellites in constant orbit (depending on the control system), would be subject to some interruption, says Meckling, as the number of operating satellites declines; the high-altitude system would work constantly until one of the satellites failed, whereupon it might take days or even weeks to restore service unless a spare satellite were kept handy in the sky. But given reliability, such systems would have enormous capacity. A worldwide low-altitude system would provide 7,800 transoceanic channels or about 20 times the number now serving the United States, says Meckling, and a single 24-hour satellite 4,800. Used at capacity, a low-altitude system (with an average life of 2 years) might cost \$8,500 a year per channel, and a high-altitude system (with an average life of 1 year) \$10,000 a year per channel—against \$27,000 a year per channel for a new underwater cable system.

But, of course, no company could hope to start out at capacity. So assuming a fair advance sale and a growth of 15 percent a year compounded—considerably more than the growth rate of international communications since World War II—Meckling figures that a company could achieve close to capacity operation in 15 years. Meantime, its average annual costs per channel would be roughly three times as high as the capacity estimates, or about those of new submarine cables.

The big question: Can the satellites generate enough business to operate at close to capacity? A satellite company, to get the volume that would enable it to realize its potentially low costs, would have to cut rates deeply—a familiar business situation, and one full of risks, including the risks in



coming to terms on rates with foreign government-owned companies. Since companies now pay \$240,000 a year for one voice channel in old, high-cost cables, however, there is plenty of margin for rate cutting. Nobody knows exactly what a system would cost, but experts think that \$400 million or so would buy one, and that it could break even before the end of the decade and could be earning good money for its owners by 1975. No wonder that a good many companies not given to throwing money down holes are eager to get in space, so to speak, on the ground floor.

#### WHOSE COMMUNICATIONS SATELLITE CORP. WILL IT BE?

The American Telephone & Telegraph Co., which cooperated with NASA by building the ground stations for the first passive Echo satellite, favors a system of 20 to 30 satellites at 6,000 to 7,000 miles, owned and operated by FCC-authorized companies. The company is now launching its Telstar or active low-altitude satellite, which it hopes will provide enough know-how to put a whole communication system in operation by 1965.

But the administration, on the grounds that A.T. & T. should not dominate the new industry and that the taxpayers, who will have invested \$175 million in research on the system by 1963, should be allowed direct participation, proposed to charter a \$1 billion Communications Satellite Corp., financed by class A stock, selling at a minimum of \$1,000 a share. The class A shares of Communications Satellite Corp., to be sold to both the public and the communications companies, would have voting privileges and get all the dividends. Communication companies could also buy nondividend-paying class B shares, and would realize profit on them by including the cost of the shares in their rate base and so in effect get higher returns.

Almost everybody remotely concerned wants a role in shaping the relationship between space and private enterprise. Senator ESTES KEFAUVER, not surprisingly, thinks the Government should own and operate the project. Representative EMANUEL CELLER characteristically argues that "since it is almost impossible to regulate A.T. & T. on earth, we should need divine guidance to regulate A.T. & T. . . . way above us." RCA and Western Union, among others, are for the administration proposal, even though RCA's Gen. David Sarnoff has testified that investment in the satellite corporation would be speculative. (RCA also has come out for a high-altitude synchronous system, which it probably would like to build.)

Since getting on with the job is important, FCC Chairman Newton N. Minow would limit ownership of the Government sponsored corporation to communication companies. However, the influential Senate Space Committee accepted the Government plan in principle, and reduced the price of a share to \$100; but it would give the companies a break by providing for only one class of stock, to be sold equally to the public and the companies, the foreign governments allowed to buy up to 10 percent of the public shares. And it proposed that communication companies should be allowed to own some of the potentially profitable ground stations. The House passed a revised bill modeled on the committee's approach by 354 to 9 and sent it on to the Senate, which presumably will OK it, too.

#### NO MORE NATIONAL PRIVACY

Probably the quickest space payoff will come from satellites like NASA's upcoming "orbiting observatories," which will carry telescopes and other astronomical and geophysical instruments. Such satellites could map the world as it has never been mapped before. "When it comes to mapping, the satellite is to the airplane as the airplane is to the ground surveyor," says Richard S.

Leghorn, president of Itek Corp. and chairman of the National Planning Associations' Committee on Security Through Arms Control. "The present proposal to map Antarctica with planes could be done with satellites for half the money and in a fifth of the time." All that needs to be decided, says Leghorn, is whether the Government or private industry is to run them.

Once the decision is made, observational satellites could begin to earn money immediately, on jobs now scheduled. Itek itself stands to gain by an early decision, for as a specialist in information storage and retrieval it has developed a machine that can read diagrams and pictures and otherwise relay information graphically without programming—i.e., without reducing information to a machine code. "There's no such thing as backyard privacy if we orbit the world constantly," Leghorn likes to point out. "We're ahead on information satellites; we should take advantage of them to open up the Soviet Union to view. Great areas there are barred off, but what would be the use of barring them off if we know what's there?"

Probably the most broadly remunerative of the space vehicles will be the Government-operated weather satellites, designed not only to predict short-term weather movements but to gather enough data to enable men to understand just how those movements are generated. Four RCA-made and NASA-supervised Tiros (television and infrared observation satellites) were launched between April 1960 and early 1962. Orbiting the world every hundred minutes or so, and equipped with two TV cameras apiece, they recorded significant new cloud formations over enormous ocean areas. All except Tiros I gaged solar energy reflected and scattered by the earth's surface and atmosphere as well as infrared radiation leaving the earth and its atmosphere. Relevant findings were analyzed promptly and passed on to weather forecasters here and abroad. Although Tiros IV missed the epochal east-coast "Ash Wednesday storm" last March—it was orbiting the Northern Hemisphere by night at the time—Tiros III tracked 17 tropical storms, and gave advance warning of Hurricane Esther.

Within a year NASA plans to launch at least three more Tiros and an advanced Nimbus satellite, which will orbit the earth from pole to pole. It is possible that the Russians will cooperate in such a venture, perhaps by lofting a second Nimbus-type satellite. At all events, such satellites will enable the U.S. Weather Bureau to trace the progress of any disturbance anywhere. To view a large part of the world from a steady vantage point, moreover, NASA and the Weather Bureau are planning an Aeros high-altitude orb.

How much all this will save the world it is hard to say. A dozen or so years ago, when the Weather Bureau tried to determine the value of storm warnings and correct forecasts, "business and agricultural interests" suggested that such forecasts could save \$3 billion a year in water resources and up to \$2.5 billion a year in farm products, to say nothing of a hundred million in transportation (exclusive of air transport). But F. W. Reichelderfer, Bureau Chief, now feels such figures are meaningless. "Everybody benefits from better weather forecasting," he says, "so we're trying to value something we really can't measure. We know, however, the benefits are there. Just think how much could have been saved if Tiros IV had been around to forecast that east-coast storm last March." Accurate weather forecasting could make farm supports an even greater absurdity than they are. Underlying the whole support program is the assumption that farming, owing to the weather, is egregiously risky. With the risk eliminated, there would be less reason for subsidizing farmers than for subsidizing small manufacturers or storekeepers.

Despite the predictions of the space enthusiasts, it will be a long time before man can even attempt to begin to control the weather. First he must thoroughly understand it, and he still has a long way to go. But he will find out more about it in the next few years than he has in all history.

#### THE BENEFICENT PROMISE

"In whatever direction our technology is moving," an IBM engineer puts it succinctly, "the space program is advancing us faster." Thus the fallout of other kinds of benefits from the Nation's investment in space research and development, though some will be long in coming, may be incalculable. To get space discoveries and inventions where they will help the civilian economy, NASA has set up an Office of Applications that will identify "inventive elements and apply them to industry while they are new." One of its first moves has been to hire the Midwest Research Institute of Kansas City to pick up potential applications, document them, and circulate news of the possibilities among industry people.<sup>1</sup> It has also retained the Denver Research Institute for a different kind of investigation: to find out whether industry is already making products and using processes originating in the space effort. After careful screening, Denver Research found 145 such examples, and thinks it will find more. But the big advances lie at some point in the future when the new techniques have had time to blend with the old and join the economy. When they do, space will be largely responsible for many new looks here below. Among the promising areas of development:

**Materials:** Structural demands of rocket and spacecraft vehicles, the intense power requirements at takeoff, the sustained power required in flight, and the intense heat encountered on reentry are making for a sharp advance in the strength and property of materials. In the area of metals and alloys this will lead to successful hypersonic planes, the development of simpler, more efficient aircraft and automobile engines, and, perhaps 20 years hence, to lighter and stronger building structures. The development of powerful new fuels is leading the chemical industry to use extreme-temperature, high-pressure techniques, one of which, indeed, is already being used to produce liquid hydrogen. A large array of entirely new metals and materials will be available for untold uses.

**Reliability and miniaturization:** Because space-vehicle machinery must be both small and absolutely reliable, industry's trend toward miniaturization and reliability, already illustrated by the development of transistors, diodes, etc., will accelerate. Computers will be among the first to profit by the new techniques; computers that used to fill large rooms will soon be housed in packages the size of a small TV set. The Burroughs D210 computer, designed to guide missiles, occupies less than one-fourth cubic

<sup>1</sup> Business, however, has been complaining that it has been discouraged from adapting new products and processes developed while working on NASA contracts, because patent rights on those products and processes automatically become Government property unless the Administrator waives the Government's rights. The Department of Justice has entered a strong plea to keep things that way. The issue, whose importance is obvious, seemed to be building up to major proportions when the patent subcommittee of the House Science and Astronautics Committee voted to revise NASA practices. If its recommendations are adopted, NASA could be brought more in line with the Defense Department practice of retaining license rights—but not title—to patents taken out on inventions and improvements made by companies while working on military contracts.



foot, uses less power than a 60-watt bulb, operates 50,000 hours without failure, and costs only \$25,000 to \$50,000, against more than \$1 million for the present Atlas computer. Various forms of microcircuitry, developed for space vehicles, some already used widely, will probably result in miniature consumer goods, like radios, at reasonable prices.

**Automation:** Advances in guidance systems for space vehicles will improve and speed up automation techniques. "Everything we have learned about guiding the Titan," says one IBM man, "will be useful in guiding machine tools." By way of humble example, Allied Research Associates of Boston has used space innovations to develop a machine that automatically sorts cigars for uniformity of color.

**Bonding techniques:** Because high vacuums are essential for space environmental test chambers, and because many of the specialty metals for space vehicles are being made in vacuum, high-vacuum techniques are being accelerated. Scientists of the National Research Corp., for example, have recently shown that certain metals, if cleaned and put into an almost perfect vacuum, bond together tightly and permanently as if welded. This demonstration will help industry make bearings that will not congeal and clog in the vacuum of space; on the other hand, it will probably result in new nonwelding techniques for bonding many metals here on earth.

**Aerial observation:** Interpretation of aerial pictures, now being used by Itek Corp., to advise grape growers of California on the quantity and quality of the crop and so to forecast market price, will be extended to hundreds of uses. The problem of storing and retrieving vast amounts of technical information, brought into being by the space age, will be solved by digital graphic systems such as Itek's EDM machine.

**Klimps and Kudl-Pacs:** Space components are easily damaged, and must be handled a lot, so new packaging techniques have been developed for them. North American Aviation's subsidiary, NAVAN Products, Inc., has invented an L-shaped wire fastener it calls a "Klimp," which is replacing nails in packing boxes, and "Kudl-Pac," a thermal-plastic, polyurethane-lined case that adapts itself to a variety of shapes and can be used over and over again. NAVAN has promoted this product by sending prospects a real live egg enclosed in a Kudl-Pac.

**Packaged power:** Probably the broadest area of practical development will grow out of the new, compact, self-contained sources of power needed by satellites and spacecraft to operate their equipment and to maintain men and their environment independently in space. Already being developed by private and government research for eventual commercial use, they include: (1) Silicon solar cells, converting sunlight directly into electricity, which are being used to power such disparate things as portable radios, railway crossing lights, and community radio receivers in Indian towns; (2) thermoelectric materials, which can convert low heat directly into electricity, or electricity into heat or cold by reversing the direction of the current; (3) thermionic tubes, which convert high heat directly into electricity; (4) fuel cells, converting chemical reactions directly into electricity; (5) highly compact atomic-power packs, tapping electricity directly from the atom through a converter; (6) magnetohydrodynamic generators, which convert the movement of a very hot and ionized gas stream (plasma) into electricity by passing it through a magnetic field. Such a device will make possible high-efficiency power stations: Avco Corp. and a group of 11 electric utilities led by American Electric Power Service Corp. is supporting a research program on magnetohydrodynamic genera-

tors, which may turn out to be 40 percent more efficient than the most modern power generator. As a result of its work in plasma, incidentally, Avco is marketing a plasma gun or high-heat gun using a tungsten electrode and water-cooled copper nozzle for applying such coatings as tungsten, molybdenum, titanium carbide, and tantalum carbide to metallic and ceramic surfaces. Achieving temperatures up to 30,000° F., the gun can also be used for flame cutting and materials studies.

Compact power packages will probably be developed to the point where they can generate electricity on the spot for home lighting, appliances, and industrial processes. The natural-gas industry is financing a research program on fuel cells, reacting natural gas with an oxidizer to make gas the sole source of domestic energy—heat as well as electricity. Thus walls for homes and buildings may be designed with their own built-in, self-contained heating, cooling, lighting, and electrical systems, feeding on fuel cells, or free energy from the sun. These and other devices, already being carried over from the space industry by such giants as General Electric and Westinghouse, may revolutionize the generation and distribution of power on earth.

**Solution to overpopulation:** Gazing far into the future, some scientists believe that the greatest benefit the space effort will confer on the human race is to enable man to migrate to other worlds. Theoretically, atmosphere can be created on planets where it is nonexistent or very thin, perhaps by seeding the planets with a catalytic substance to release oxygen now locked up there in compounds like carbon dioxide. "If you want to look ahead a hundred years or more," says Murray Zelkoff of Geophysics Corp., "I think the real purpose of the space effort is to colonize the planets. How else can we solve the population problem? It's not only politics that moves men, but social and biological factors. Subconsciously these are moving men to outer space."

#### FEET ON THE GROUND

Such a prospect is still far out, but it no longer belongs in the comic strips. The space project is surely enlarging man's notions of the potentialities of the universe, and is accustoming him to think in terms of longer periods of time. Engineers look ahead at least 20 years in planning a space program, and to the extent that business is involved, its scale of thinking is correspondingly enlarged. As General Electric's Ralph Cordiner has remarked, when business deals with space it deals with a technology that needs a planetary scale to stage it, decades to develop it, and a much bigger investment to cross the threshold of return than is customary today.

Private enterprise is not disdaining the challenge. As we have seen, it is stepping into the communication-satellite business; and if other jobs, such as launching operations, can be put on a paying basis, it may gradually take them over. With its own money, industry is already constructing space-simulating facilities, such as GE's laboratory at Valley Forge, Pa., and RCA's space center at Princeton, N.J.

Nevertheless, the great space effort is primarily dependent on Government planning, national and international. Consequently, it is boosting the ardor and ambition of those who believe the world is headed for more state planning, and that the scope of private decision is inevitably narrowing. They observe that planning for space will train men to plan ahead in other fields, that the idea of government and free enterprise as distinct entities is no longer adequate. For them the great implication of space is that it will somehow free man from his preoccupation with profits and losses and other

sordid things that tyrannize him here on earth.

But alas for the idealists, it is precisely this tropism of worldlings for minding their business that has enabled the space program to be created. Only this mundane preoccupation can carry the great program along, world without end. Contemplating the starry heavens above, as Immanuel Kant once did, even a normally reflective person finds it easy to muse on the shortcomings of mankind. But it should also be obvious that the space program, no matter how abundantly it pays off, will be a big and growing investment, and that, like all investments, it cannot be made until people first produce something to invest. To rise in the sky, the United States will have to keep its feet on the ground.

**Mr. PROXMIRE.** Mr. President, I also ask unanimous consent that an article from the January 22, 1962, issue of *Missiles and Rockets*, summarizing the full \$16.2 billion missile-space expenditure anticipated in this fiscal year, be printed at this point in the RECORD.

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

RECORD \$16.2 BILLION SOUGHT—KENNEDY'S MISSILE-SPACE REQUEST TOPS IKE'S LAST BY \$6 BILLION; \$20 BILLION SEEN FOR FISCAL YEAR 1964

(By James Baar)

The Kennedy administration is asking Congress to pour a record-shattering \$16.2 billion into the Nation's booming missile-space programs for fiscal year 1963.

The huge missile-space appropriation request—more than 16 percent of the \$99.3 billion Federal budget that President Kennedy sent to Capitol Hill last Thursday—is some \$6 billion higher than the amount the Eisenhower administration sought just 1 year ago.

Nor is the end in sight.

Top Government officials forecast that missile-space money requests will rise at least another \$3 to \$4 billion in fiscal year 1964.

The increases are expected primarily in NASA-DOD space programs—unless the cold war should worsen. Under present circumstances, the Defense Department's budget is expected to level off at about its new record peacetime high of \$51.6 billion.

Delayed reaction spending: Meantime, Federal spending on missile-space programs, although lagging considerably behind new money requests as it has over the last several years, is also expected to continue to climb sharply over the next several years.

For example, NASA is requesting a total of \$3.7 billion in the new budget. However, the agency expects to spend only \$2.4 billion in fiscal year 1963.

The same pattern is found in the Pentagon's budget estimates. The fiscal year 1963 request for new money is \$51.6 billion; the spending forecast is \$49.7 billion.

Differentials of this kind between authorizations and spending almost invariably result in considerable spending increases in successive budgets. Therefore, the new DOD-NASA money requests alone are considered certain to push spending in fiscal year 1964 beyond the \$92.5 billion level at which the President hopes to balance the budget in fiscal year 1963.

The missile-space program requests for the new fiscal year show a number of decided trends:

NASA, DOD and other space programs are claiming an increasingly larger share of the total appropriation slice. The new split: \$5.5 billion for all space programs; \$10.9 billion for missiles and related programs.



Spending on big missile systems continues to dominate Pentagon procurement plans despite the buyout of Atlas and Titan I. However, the procurement of tactical missiles as part of the strengthening of limited war forces is increasing significantly.

The Apollo manned lunar landing program is maintaining its urgent pace, but it is narrowing somewhat in scope. Earlier plans for rapid development of a multimegawatt-thrust solid superbooster have been dropped. NASA will rely on reaching the moon by orbital rendezvous or using a liquid-fueled superbooster. Solid superboosters will be developed at a decidedly more leisurely pace.

The number of new missile programs is growing smaller. The budget discloses emphasis on only two: The Air Force Mobile MRBM to be based on land or sea, and a new Army surface-to-surface missile for division support.

Air Force space programs are increasing somewhat in dollars, but the increases could be far more significant than the dollars indicate. One of the most significant additions: sizable funds for development of the Titan III space booster to be designed specifically for military missions.

For the first time, the new budget in a special section listed the space programs of all Federal agencies as a national program. Besides DOD and NASA, space appropriation requests were listed, in decreasing amounts, for the Atomic Energy Commission, the Weather Bureau and the National Science Foundation.

This packaging of separate programs in one national program is very much in line with the policy of Vice President LYNDON JOHNSON, Chairman of the National Space Council, and Dr. Edward Welsh, the Council's executive secretary. It is particularly indicative of the continuing administration policy of seeking advances in military space technology through NASA's greatly expanding programs.

Two-year factor of three: As a whole, appropriation requests for U.S. space programs have more than tripled in 2 years. In fiscal year 1961, Congress appropriated \$1.7 billion for all space programs. The final figure for fiscal year 1962, including a proposed supplemental for NASA of \$156 million, is expected to total \$3.1 billion—still well below the new total for fiscal year 1963 of \$5.5 billion.

The bulk of this money has been sought since Russia successfully launched the first manned Vostok into orbit last April. The details of the NASA budget strongly reflected this influence.

Conservatively, some 60 to 70 percent of NASA's new money requests—about \$2.2 to \$2.6 billion—are being sought for projects related in one way or another to the Apollo program.

One noteworthy sidelight in the new budgets of both the Defense Department and NASA was the introduction of several new elements of obfuscation along with a revolutionary new system of budgetmaking in the Pentagon.

NASA's budgetmaking adjustment lumps together for the first time funds sought for R. & D. and salaries and expenses—thereby obscuring considerably the cost of in-house operations.

The Defense Department completely reorganized its budget on the basis of "end product." In doing so, the military services' budgets were submerged to the point of eliminating total requests and many details for each service in the official documents.

Officials denied that greater unification by budget was underway, or that information was withheld intentionally. As one spokesman put it:

"It didn't fit the format."

#### Missile-space fiscal year 1963 budget request [NOA<sup>1</sup> in millions of dollars]

Missile procurement.....	4,011.0
Missile R.D.T. & E.....	2,200.0
Missile base construction.....	650.0
Military sciences.....	909.0
Foreign aid missiles.....	121.0
Missile maintenance.....	1,300.0
Ships (Polaris subs and seaborne GSE).....	1,500.0
Other (related military electronics, GSE).....	450.0
NASA R. & D.....	2,667.5
NASA construction.....	650.0
Military astronautics.....	1,517.7
AEC astronautics.....	192.9
Weather Bureau astronautics.....	47.2
NSF astronautics.....	1.7
<b>Total.....</b>	<b>16,218.0</b>

<sup>1</sup> Estimates based on official budget submissions.

Mr. PROXMIER. Mr. President, I also ask unanimous consent that an article from the October 2, 1961, issue of Missiles and Rockets be printed at this point in the RECORD. It shows that North American Aviation cornered 18 percent of the direct awards over the past year.

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

**NEW REPORT REVEALS NAA BY FAR BIGGEST NASA CONTRACTOR IN FISCAL YEAR 1961—MCDONNELL WAS RUNNER-UP; TOTAL PROCUREMENT REACHED \$766 MILLION; SMALL FIRMS WON 15 PERCENT OF MONEY SPENT**

North American Aviation, Inc., top NASA contractor in fiscal 1961, received more than 1½ times as many NASA procurement dollars than its closest competitor, McDonnell Aircraft Corp., according to the procurement report just released by the space agency.

NAA cornered 18 percent of the direct awards over the past year—a percentage representing some \$75 million in procurement actions. McDonnell, its closest competitor, received some \$41.8 million—10 percent of the direct awards.

Other highlights of the procurement report:

NASA procurement for fiscal year 1961 totaled \$766 million, representing some 94,000 procurement actions.

Of this total, some 56 percent were placed directly with business firms, 12 percent under NASA's contract with Jet Propulsion Laboratory, 3 percent with nonprofit institutions or organizations and 29 percent with or through other Government agencies.

Direct awards to small business totaled about 15 percent and, of the awards to large businesses, it is reported that approximately 20 percent of these contracts went to small businessmen.

Approximately 32 percent of NASA procurement actions were placed in substantial labor surplus areas.

Extent of competition: Of the \$423.3 million in direct contract awards by NASA, approximately 9 percent were placed through formal advertising for competitive bids, 56 percent through competitive negotiation and 35 percent by noncompetitive negotiation. The high percentage of negotiated contracts results from the fact that much of NASA procurement is for research and development effort on a cost-reimbursable basis. This type of contract is not permitted in formally advertised procurement.

During fiscal year 1961, source evaluation boards—composed of Government scientists and engineers versed in the technical details of the proposed procurement and representatives of Government business management

staffs—were used in connection with the award of 18 new contracts, totaling about \$30 million.

By far the majority of NASA awards (83 percent) were placed on a cost-plus-fixed-fee basis. About 16 percent of the awards were on a firm fixed-price basis, while the remaining 1 percent included: actions on cost (no fee), cost sharing, fixed-price-re-determinable, fixed-price-incentive and time and materials contracts. However, since awards under \$25,000 are not included, the fixed price category, as a percentage of the whole, is understated.

On the basis of estimated costs, the CPFF contract yielded the contractor a fee of from 6 to 8 percent of the bulk of the fees (65 percent) averaging between 6 and 7 percent.

Nonprofit contract awards: Of the \$24.5 million awarded to nonprofit institutions or organizations, \$13.7 million covered research contracts. Approximately 66 percent of the actions were on a cost (no fee) basis, 24 percent on a cost-plus-fixed-fee, 8 percent on fixed-price and the remaining 2 percent on time and materials and labor hour contracts. The CPFF award yielded an average fee of 6.01 percent.

The remaining \$10.9 million of the awards to nonprofit organizations represented research grants.

The leading nonprofit institutions for fiscal year 1961 were: MIT, University of Michigan, University of New Mexico, University of Alaska, Cornell Aeronautical Lab, Rand Corp., Battelle Memorial Institute, Stanford Research Institute, Princeton, and the State University of Iowa.

The Jet Propulsion Laboratory, operated for NASA by the California Institute of Technology, received approximately \$86 million during the year. These funds provided the basis both for the laboratory's research efforts and for improvement, modernization and expansion of JPL facilities.

Awards to Government agencies: Of the \$221.6 million placed with or through other Government agencies, approximately 64 percent went to the Air Force for the Saturn, Centaur, Atlas booster and Agena programs. The Departments of the Army and Navy, the Atomic Energy Commission and Commerce Department won other awards.

The philosophy behind this large amount of procurement through DOD is to avoid duplication of effort and to achieve effective utilization of both agencies' resources.

During the past year NASA has resorted to letter contracts in 57 instances, with a total dollar value of about \$55.1 million. Of these only 9 had been firmed up by the end of the fiscal year; 48 contracts, with a total dollar value of \$46.6 million, had not been finalized.

Procurement by R. & D. program: Approximately 85 percent of NASA's procurement during the fiscal year was funded from its R. & D. appropriation. Vehicle development received 30 percent of this total for the development, fabrication, and launching of space vehicles including the Scout, Delta, Centaur, and Saturn vehicles. The Saturn and Centaur accounted for 92 percent of the procurement in this area. Scientific investigations of space, utilizing sounding rockets, earth-orbiting satellites and lunar and planetary probes, consumed 17 percent of the R. & D. procurement dollar, while Space Propulsion Technology and Manned Space Flight received 13 and 11 percent of the total R. & D. procurement.

Major awards in fiscal year 1961: During the year, 10 new contracts of over \$5 million each were awarded directly to business firms. The total dollar value of these awards was approximately \$87.4 million.

Leading all other contractors was North American Aviation, Inc., with three major pacts for the development of a 200,000-pound-thrust liquid oxygen-liquid hydrogen

engine, the design and development of the H-1 engine for Saturn and the fabrication and production of H-1 engines and related spares for the Saturn program.

Other leading industrial concerns were Chrysler Corp., Hayes Aircraft Corp., STL, Aerojet, Chance Vought, Grumman, and Brown Engineering.

Carryover contracts for work already in progress were awarded to five major business firms. Again North American led with an

award of \$73.9 million for further work on the 1.5-million-pound-thrust engine. McDonnell received \$41.6 million for continuing work on the Mercury program, while Western Electric was awarded \$26.5 million for maintenance of the Mercury tracking and ground instrumentation system. Douglas received two awards: \$22.4 million to design, develop and test the Saturn S-IV stage vehicles and \$7.8 million for design, development and launch of Delta three-stage vehicles.

**Leading States:** The four States receiving the largest share of NASA procurement awards, and total dollar value of these awards, were: California, \$148.7 million; New York, \$43.9 million; Missouri, \$42.5 million; and Alabama, \$37.1 million.

Of NASA's direct awards of \$25,000 and over, \$92 million, or 32 percent were placed in areas which were designated by the Department of Labor as substantial labor surplus communities.

25 contractors listed according to net value of direct awards, fiscal year 1961

Contractor	Net value of awards			Number of contracts	Contractor	Net value of awards			Number of contracts
	Thousands of dollars	Percent of total awards to business	Cumulative percent			Thousands of dollars	Percent of total awards to business	Cumulative percent	
Total.....	423,294	100	-----	-----					
North American Aviation, Inc.....	75,009	18	18	21	Bendix Corp.....	6,481	2	62	16
McDonnell Aircraft Corp.....	41,843	10	28	4	Aerojet-General Corp.....	6,286	1	63	14
Douglas Aircraft Co.....	30,698	7	35	8	Lockheed Aircraft Corp.....	3,335	1	64	13
Western Electric Co.....	26,609	6	41	3	Minneapolis-Honeywell Regulator Corp.....	2,730	1	65	14
Space Technology Laboratories.....	13,098	3	44	11	Norair Engineering Corp.....	2,512	1	66	3
Chrysler Corp.....	12,922	3	47	9	General Dynamics Corp.....	2,135	1	67	17
Grumman Aircraft Engineering Corp.....	11,168	3	50	3	Flexonics Corp.....	2,128	1	68	2
The Mayes Corp.....	10,278	2	52	4	Ball Bros. Research Corp.....	2,025	(1)	68	4
General Electric Co.....	9,197	2	54	30	United Engineering & Contractors, Inc.....	2,000	(1)	69	1
Chance Vought Corp.....	8,773	2	56	12	Collins Radio Co.....	1,994	(1)	69	3
Radio Corp. of America.....	8,580	2	58	31	Arthur Venneri Co.....	1,960	(1)	70	1
Brown Engineering Co., Inc.....	6,680	2	60	2	Carl N. Swenson Co.....	1,835	(1)	70	3
					Ampex Corp.....	1,685	(1)	70	20
					Other.....	131,324	30	100	-----

<sup>1</sup> Less than 1/2 of 1 percent.

**Mr. PROXMIRE.** Mr. President, I also ask unanimous consent that an article from the May 21, 1962 issue of *Missiles and Rockets* be printed at this point in the *RECORD*. It indicates that the United States will pour about \$6 billion into Project Apollo over the next 2 fiscal years.

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

**SIX BILLION DOLLARS PAYMENT IN NEXT 2 YEARS—FIRST BIG INSTALLMENT ON \$20-TO \$30-BILLION LUNAR LANDING EFFORT COMING DUE; DECISION LOOMS ON CHOICE OF ORBIT**

The United States will pour about \$6 billion into Project Apollo over the next 2 fiscal years.

It will be the first massive downpayment on the manned lunar landing program, which it is estimated will cost \$20 to \$35 billion through the end of this decade.

Its objective will be to land three Americans on the moon—perhaps as early as 1967.

Many NASA officials, however, now feel that 1968 is a far more realistic date.

Besides funding a host of Apollo contracts already awarded to industry, the fiscal 1963 and 1964 funds will provide a start on several new industrial awards.

One major decision—the detailing of the lunar mission and how it will be accomplished—is crucial at this point. On it hinges a real start on the lunar program.

While NASA officials are going on the assumption that earth-orbital rendezvous will be chosen for the primary mission, a large group within the organization currently favors lunar-orbit rendezvous.

This would involve putting the Apollo spacecraft into orbit around the moon, and then sending a two-man capsule down to land on the lunar surface.

With this method, it would be possible to achieve the mission using one Advanced Saturn launch vehicle. This is opposed by NASA launch vehicle experts who feel that the mission would be "marginal."

The study is being made by the systems engineering group in NASA's Office of Manned Space Flight. Personnel from the Marshall Space Flight and Manned Spacecraft Center are also taking part.

A final decision by D. Brainerd Holmes, director of the Apollo program, is expected about July 1. A switch to a lunar orbit mission would drastically affect the lunar landing module for the spacecraft, and the command and service modules to a lesser extent.

The decision will also signal the real beginning of the lunar landing drive—with the resulting massive flow of funds to American industry.

Holmes told *Missiles and Rockets* that NASA's manned space flight activities are funded at \$2.4 billion in fiscal 1963.

Holmes said that the Office of Manned Space Flight would require \$3.2 to \$4 billion in fiscal 1964.

NASA officials report that the Apollo budget will continue to rise, reaching a plateau in fiscal 1965, 1966 and 1967 of between \$4.5 and \$5 billion. It will then drop slightly through the rest of the decade.

All of this means billions of dollars for U.S. industry. NASA estimates that about

90 percent of the funds over the next 2 fiscal years, some \$5 billion, will go to industry for hardware procurement.

And while NASA has already selected contractors for some of Project Apollo's major systems, several more multimillion-dollar awards are yet to come. In addition, all of the lunar landing program's industrial team is just beginning the selection of thousands of subcontractors.

Future major contract awards include:

Inflatable or erectable manned orbiting space laboratory: Design of this spacecraft—which will hold at least 21 astronauts for periods of 1 to 3 years—will begin in fiscal 1963. Actual hardware development could come in fiscal 1964. Total development time is estimated at 4 years.

The project does not have program status at NASA as yet. However, officials assert that it will definitely be the next major manned spacecraft developed by the civilian agency.

#### The lineup of Apollo contractors

Company name and address	System	Announcement date	Amount
APOLLO SPACECRAFT			
North American Aviation, Inc., Space & Information Systems Division, 12214 Lakewood Blvd., Downey, Calif.	Command and service modules.	1961.....	\$3,000,000,000 to \$5,000,000,000.
Subcontractors: AiResearch Manufacturing Co., 6201 West Imperial Highway, Los Angeles, Calif.	Environmental control.....	Dec. 21, 1961.....	\$10,000,000.
Avco Corp., Wilmington, Mass.	Heat shield.....	Mar. 23, 1962.....	\$8,000,000 plus.
Collins Radio Co., 855 35th St. N.E., Cedar Rapids, Iowa.	Telecommunications.....	Dec. 21, 1961.....	\$40,000,000 plus.

Robert R. Gilruth, director of the space agency's Manned Spacecraft Laboratory in Houston, Tex., told *Missiles and Rockets*, "I think it is a wonderful concept.

"It appears to be a very good configuration structurally, and is light for the amount of space it provides," Gilruth said.

No decision has yet been made whether the spacecraft will be of the inflatable or erectable type. NASA officials apparently are leaning toward a combination of both. Goodyear Rubber Co. has been doing a lot of work in the inflatable area and North Amer-

ican Aviation, Inc., is currently winding up a study of an erectable structure.

Besides serving as an orbiting laboratory for space experiments, it could become a space station for lunar, interplanetary and military manned missions in space. It could also be used for weather and astronomical observations.

Lunar landing module: This will be awarded in 2 to 6 months. Although it was earlier scheduled to be awarded before the end of fiscal 1962, it has been delayed by further system studies of the Apollo mission.



NASA's Lewis Research Center will manage the system under the overall supervision of the Manned Spacecraft Center.

NASA officials estimate its total funding at about one-half of the total Apollo spacecraft cost of \$3 to \$5 billion.

Nova: Total cost for this 12- to 20-million-pound-thrust booster will be in the billions. Two fabrication contracts for the first and second stages will be awarded early in 1963. NASA is currently studying proposals from five missile/space firms—Martin Co., General Dynamics/Astronautics, North American Aviation, Inc., Douglas Aircraft Co., and Lockheed Aircraft Corp.—for a 6-month design study contract. Two firms will be selected to make the study, and there is good possibility these firms will eventually be named to build the stages.

Orbiting laboratory module for Apollo spacecraft: This module will be needed for the Apollo spacecraft only if weightlessness or radiation problems develop during NASA's 18-orbit Mercury and two-man Project Gemini flights. It would be capable of holding three astronauts. A modified Apollo command module is a possibility.

Advanced Saturn: NASA is considering the selection of an "integration and test contractor" for the Advanced Saturn. A final decision, however, is about a year down the road.

RIFT: The award of this contract is imminent. Three firms—Lockheed Aircraft Corp., Martin Co., and General Dynamics/Astronautics—are competing for the nuclear upper stage fabrication. The RIFT vehicle powered by the Nerva engine will be test flown in the 1966-67 period and could be operational in 1968-69.

Flight plans: While a final blueprint for the program hinges on the systems engineering study, NASA has set up some tentative flight schedules.

Beginning in early 1963, four 18-orbit or 1-day missions will conclude Project Mercury. Beginning in 1963 and extending into 1965, two-man spacecraft flights of a week or more will be made with the Gemini spacecraft. A total of 15 missions are tentatively scheduled. Eight will involve rendezvous/docking operations while in orbit.

For Project Apollo itself, one NASA official estimated that a total of 25 flights will be scheduled.

These will begin in late 1964 or early 1965, when 12 development flights will be made, 6 utilizing a new solid rocket developed especially for the job and 6 Saturn C-1 flights

with boilerplate Apollos. Six manned earth-orbital flights will follow using the Saturn C-1. In 1966 and early 1967, six manned circumlunar missions will be flown using a two-stage Advanced Saturn. The manned lunar landing mission would then be attempted.

To meet the flight schedule, NASA will spend from \$12 to \$20 billion on development of launch vehicles and from \$3.5 to \$10 billion on the Apollo spacecraft. Other billions will go for management and a large number of scientific satellites and spacecraft which will be needed.

Taking shape: The general configuration of the Apollo mission systems is pretty well set.

The spacecraft will have three modules—command, service, and lunar landing. Prime contract for the first two is North American Aviation.

The lunar landing contractor has not been selected.

Apollo will be the workhorse of the civilian space program well into the 1970's. Not until a manned interplanetary mission will a new spacecraft be needed.

Prime launch vehicles for the Apollo spacecraft are the Saturn C-1 and Advanced Saturn boosters.

The C-1 will be used to test boilerplate versions of the spacecraft and boost it on its earth-orbital missions. First stage contractor is the Chrysler Corp. Second stage contractor is Douglas Aircraft Co.

The Advanced Saturn will launch the spacecraft on its lunar orbit missions and is now the prime launch vehicle for the lunar landing flight.

First stage contractor is the Boeing Co., and the second stage will be fabricated by North American Aviation, Inc. Douglas has the third stage contract.

Procurement: NASA contracting for the Apollo craftcraft is handled by the Manned Spacecraft Center in Houston, Tex. Launch vehicle procurement is directed by the Marshall Space Flight Center, with the Launch Operations Center at Cape Canaveral responsible for the procurement of launch complex equipment.

NASA will continue to rely almost exclusively on the cost-plus-fixed-fee contract. The one major switch in its contracting procedures has been the establishment of a space agency management group at the North American plant at Downey, Calif. Similar groups will be set up to monitor NASA contracts at other contractor plants.

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

ON BOOZE, BLONDS, AND BASHES

Now that that silly season is nearing its end, it is perhaps time the industry gave some deep thought to this question of technical and pseudotechnical meetings and just what it expects from them.

We have watched with some sympathy in recent weeks as our friends from the West shuttled back and forth to the Army association meeting in Washington, the Air Force partygoing in Philadelphia and the space flight report to the Nation in New York. Their explanations to their wives probably would make far more interesting reading than many of the technical papers so laboriously presented at the meetings.

We also have watched, with somewhat less sympathy, as our editors burrowed through hundreds of pounds of frequently repetitious papers and courted ulcers on the scotch and bourbon circuit.

Last week, for example, found no less than seven of our editors covering the big American Rocket Society meeting in New York, two staffing the National Aeronautic and Space Engineering and Manufacturing meeting of the Society of Automotive Engineers in Los Angeles, and one attending the National Electronics Conference and Exhibition in Chicago.

We're not complaining. Part of our job is to attend these meetings for you. Since the beginning of the year, our editors have covered more than 30 of the big ones.

But it does raise a question, as we encounter the same thinly disguised papers presented again and again, as to the worth of so many time-consuming conferences. The money expended also is considerable.

While we were on the Boeing stand at the New York Coliseum last week, a young lady rushed up and shoved a bill in our hand for more than \$1,200. It covered electrical installation charges for the exhibit, which itself was an obviously expensive item. We thoughtfully placed the bill in the center of a display showing Boeing's capability in manufacturing huge tank sections and we hope it gets paid.

In Philadelphia, the customer relations representative of a major west coast missile/space manufacturer told us the firm's hospitality suite for the Air Force Association meeting was budgeted at about \$5,000. Its display in the exhibition cost a whopping additional sum. The elaborate buffet-dancing parties of several other manufacturers undoubtedly enriched Philadelphia caterers, musicians, and hotel owners by well over \$100,000.

Industry prestige at AFA, meanwhile, was enhanced by at least one fist fight and the drunken antics of several Air Force generals, corporate presidents and vice presidents and, alas, members of the press.

Is all this worthwhile? We doubt it. The incoming president of the American Rocket Society, Dr. William H. Pickering, had something to say on the subject in New York. Dr. Pickering pointed out that industry spends \$100 million annually—\$50 million in direct costs and "at least" an equal amount in indirect costs—to attend technical society meetings. He called on the societies to hold meetings only when sufficient timely and high-quality papers are available. The ARS president urged industry and Government to submit only truly significant papers and to be more selective in the people they send to meetings.

What can a company hope to accomplish at a technical meeting and exhibition? An interesting survey was released this week by Clapp & Pollak, Inc., producers of a number of the Nation's industrial shows. It was conducted at the Design Engineering Show in Detroit's Cobo Hall earlier this year. It

Company name and address	System	Announcement date	Amount
Lockheed Propulsion Co., Post Office Box 111, Redlands, Calif.	Escape motor.....	Feb. 13, 1962	\$5,000,000.
Marquardt Aircraft, 16555 Saticoy, Van Nuys, Calif.	Reaction control rocket engines.	Mar. 2, 1962	Undermined.
Aero-Minneapolis Division, Minneapolis-Honeywell, 2600 Ridgeway Rd., Minneapolis, Minn.	Stabilization and flight control system.	Dec. 21, 1961	\$30,000,000 plus.
Pratt & Whitney Division of United Aircraft, East Hartford, Conn.	Fuel cell.....	Mar. 9, 1962	
Ventura Division, Northrop Corp., 8000 Woodley, Van Nuys, Calif.	Parachute landing system...	Dec. 21, 1961	\$1,000,000 plus.
Thiokol Chemical Corp., Hunter-Bristol Division, Post Office Box 27, Bristol, Pa.	Tower jettison motor.....	Apr. 6, 1962	\$1,000,000 plus.
Aerojet-General Space Propulsion Division, Azusa, Calif.	Service module propulsion engine.	May 3, 1962	\$12,000,000.
GUIDANCE AND NAVIGATION SYSTEM			
MIT Instrumentation Laboratory, Cambridge, Mass.	Management of G. & N.....	Aug. 1961	\$20,000,000.
A-C Spark Plug Division, General Motors Corp., Milwaukee, Wis.	Inertial platform and assoc. GSE.	May 8, 1962	\$16,000,000.
Raytheon Co., Bedford, Mass.....	Guidance computer (on-board).	.....do.....	\$2,000,000.
Kollsman Instrument Co., Elmhurst, N.Y.....	Optical subsystems (G. & N.).	.....do.....	\$2,000,000.
Sperry Gyroscope Division, Sperry Rand Corp., Great Neck, Long Island, N.Y.	Accelerometers (G. & N. system).	Feb. 23, 1962..	Estimated \$800,000.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that an editorial from the October 23, 1961, issue of Missiles and Rockets be printed at this point

in the RECORD. It shows that an unfortunately large sum of money is mis-spent by the missile industry on phony technical meetings.

indicated nine major areas for improvement. We won't attempt to cover them all here but some of the comments are enlightening:

"I was irritated, after coming 2,000 miles for information, to find many exhibitors with salesmen in attendance who could not give me the technical data desired.

"Suggest to the exhibitors that the platinum blond female who has no knowledge of the products beyond the canned speech and who monopolizes the time and attention of the visitors adds little to the product presentation.

"Despite the millions of dollars spent, I believe some of the manufacturers could have made it more interesting by having more of their products on hand and more working models—too many booths were taken up purely as advertisement.

"Exhibitors should be encouraged to distribute more engineering data such as dimensions, finishes, materials. . . . Too much of the literature is strictly propaganda."

With the survey, some good advice on exhibiting is provided in a publication entitled "What They Want." Single copies are available without charge from Clapp & Poliak, Inc., 341 Madison Avenue, New York 17, N.Y.

When making decisions on next year's society and association meetings, firms in the missile/space industry could do a lot worse than to ponder the words of Dr. Pickering and the Messrs. Clapp and Poliak.

Fewer meetings, more worthwhile papers, more useful exhibits, less booze and fewer extravagant parties would do much to enhance not only the industry's image before Congress and the public, but its technical progress.

WILLIAM J. COUGHLIN.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article from *Missiles and Rockets*, January 1, 1962, on the shortage of scientists and engineers, be printed at this point in the RECORD.

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

SCIENTIST/ENGINEER SHORTAGE WORSENS  
(By Heather M. David)

Concern is mounting at the National Aeronautics and Space Administration as the Nation's force of engineers and scientists continues to shrink.

As engineering schools report lower and lower enrollments, personnel offices of the Nation's space program say the demand for qualified men is skyrocketing—and will probably double within the decade.

Recent surveys show that the number of total engineers enrolled as freshmen has decreased steadily for the past 4 years. The drop is even more dramatic when contrasted against the total yearly increase of freshmen. An informal survey conducted by the U.S. Department of Education shows that in the period from 1953 to 1957, engineering freshmen accounted for about 10.5 percent of all incoming freshmen. This percentage dropped to 9 percent in 1958, 8.2 percent in 1959, 7.3 percent in 1960, and 6.6 percent in 1961.

Even if this percentage is bolstered by the Nation's entry into the moon race, the shortage will be felt for at least 4 or 5 years as these "low" classes graduate.

It's a nice situation for those engineers and scientists armed with degrees enabling them to participate in the space program. Pay scales which already have been rising about 5 percent per year in the last few years will undoubtedly increase more rapidly as demand grows.

NASA's hiring plans: Personnel Director Dr. Robert Lacklan says NASA is hiring about 2,000 engineers and scientists in fiscal year 1962. This number will be at least repeated next year. What NASA gets from graduating

college classes only meets its turnover, which is about 8 percent each year. (About 34 percent of NASA's current total of 18,000 employees are professional people.) This means that NASA must get some 1,650 new engineers and scientists from other sources this year, and even more in the years to come, as its budget moves upward to a \$5 billion level about 1964.

By comparison, the Air Force Systems Command, engaged in somewhat parallel work, has a work force of about 70,000 for its current budget of about \$5 billion.

Competition with industry for these highly trained men is tough and will get much worse. All segments of industry—not only those connected with the missile/space field—need them. A National Science Foundation study just released says that by 1970 demand for scientific and technical personnel will have doubled.

National Science Foundation points out that scientific and engineering personnel must increase from 1,096,000 (in 1959) to about 2,032,000 in 1970—an increase of about 85,000 per year. In addition, 21,000 new scientists and engineers will be needed annually to replace those who retire, die, or move to other fields of work, bring the yearly total to 106,000.

Of this, 81,000 new engineers will be needed each year—64,000 to fill new positions, and 17,000 to replace old ones. But in 1960, only 37,308 bachelor degrees and 7,159 masters degrees in engineering were awarded.

This year, enrollments of about 66,900 engineers are reported. But about half of each class does not make it—they flunk out, drop out, and an increasing number switch out.

Why the decrease? A number of theories have been advanced to account for the apparent dropoff of interest in engineering.

First of all, there was a general economic recession causing defense cutbacks, which did not bode well for the hiring of engineers. This began in 1957 and undoubtedly affected enrollment of engineers in 1958 and 1959.

A great many people believe that the glamor of the physical sciences—physics, mathematics, chemistry, etc.—is attracting potential engineers. However, although there has been some little increase in these fields, it does not account for the total drop in engineering.

Another theory is that the students are steering away from engineering because they fear the hard curriculum. As we continually are reminded, it is getting harder and harder to get into and stay in college at all, because of higher enrollments and keener competition.

Some educators believe that students shy away from engineering because of the emphasis on the study of mathematics. A movement is underway to make the study of mathematics easier and more interesting. But this program must start from the early grades.

Another belief is that many capable youngsters are barred from engineering or science because of low high school grades or low IQ test grades. In fact, however, some industrial psychologists say that there is no real evidence to support the idea that grades or IQ's are measures of ability.

A study at Hughes Aircraft Co. proved that there was no correlation between success in jobs and previous grades.

What is being done: The problem is obviously to encourage more high school graduates, with low or high grades, to enter engineering. NASA sponsors mailouts and displays (through the National Education Association) on space achievements, to high school science classes in the hopes of attracting young people to this field. Scholarship programs are set up for promising youngsters. NASA has let a contract to find methods of identifying potential successful people,

it also is looking for such a device to apply to high school level.

Some colleges have tried to freshen up the somewhat dry engineering curriculum. Yale University gives a liberal arts course especially for its engineers. The California Institute of Technology sends its engineers to liberal arts schools for 3 years, then gives them 2 years of intensive engineering training. They hope this will make engineering more attractive to the creative minds.

Another remedy is to encourage more women into engineering. Red China and Russia have of course demonstrated the success of this idea.

The only other source is persons without degrees. The National Science Foundation estimates that in the years from 1950-59 about 23 percent or 78,000 engineers without sheepskins entered engineering work. National Science Foundation goes on to say that if the proportion of engineering freshmen does not increase, retention rates improve, and transfers into engineering schools rise, the deficit must be made up of untrained personnel.

NASA tries to meet some of its problems by hiring people with degrees in a number of different disciplines, and molding them into "aerospace scientists." According to NASA's Dr. Allen Gamble, it is the only organization which classifies its people strictly on the function of their work, and not upon the academic degrees they hold.

As an example, its data systems category contains these degrees: 5 M.E.'s, 3 A.E.'s, 51 math, 12 physics, 41 E.E., 1 civil E., 1 meteorology, 1 economics, 1 social studies, 3 education, and 1 English.

NASA's courting song: The big problem of Government agencies is the tremendous disparity of income between their top people and those in comparable positions in industry. (See table below.) At the B.S. level, NASA already is \$1,000 behind. At higher levels, it can only offer half the salary industry can offer.

NASA attempts to counter this by the attractiveness of its mission and its work. And many young scientists and engineers join NASA just for the experience of working with some of the research leaders already there.

Since NASA has none of the proprietary restrictions associated with the production of a product, NASA scientists get a chance to publish their work sooner and thus receive professional recognition.

NASA supports the advanced education of many of its people. They get degrees paid for by NASA, on the agency's time.

But money is still an attraction. Lacklan notes that more professional people drop out when their children are entering college than at any other time.

On the administration's boards there is a recommendation to Congress that it raise the pay of senior scientists next year to a top of from \$25,000 to \$30,000 a year. If this and other measures are not taken soon, NASA's expansion hopes look dubious.

Salary comparisons, professional personnel

GS grade	Industry rate	Government rate
5	\$6,576	\$5,335
7	7,308	6,345
9	8,400	6,435
11	9,984	7,560
12	11,520	8,965
13	13,368	10,635
14	16,476	12,210
15	19,056	13,730
16	20,000-30,000	15,355
17	27,500-37,500	16,530
18	32,500-45,000	18,500

† 1st 2 grades on the table are the top salaries which Government agencies may give for that grade. NASA has requested that it may offer top salaries in all other grades, which would raise each of those figures by several hundred dollars.



## HEALTH INSURANCE THROUGH SOCIAL SECURITY—THE AMERICAN WAY

Mr. LONG of Hawaii. Mr. President, during the debate thus far on the King-Anderson proposal for financing health benefits through social security, I have been disturbed by the assertion that it would be a radical departure from our existing system—that we would be forsaking "the American way" and heading down the road to socialism.

I contend that this is nonsense. Health benefits are simply a normal and long-overdue extension of our existing social security system. This—not public assistance—is truly the American way of protecting against the heavy hospital costs that are an almost inevitable accompaniment of old age.

Here are my reasons.

In the United States we have developed a time-tested and widely accepted system of social insurance to protect workers and their families against the loss of earnings, whether temporary as in the case of unemployment, or permanent as in the case of death or retirement of the breadwinner. We have used various methods of financing and administration for the different risks—unemployment, work-connected accidents, old-age retirement, permanent disability, and death—but all of these methods share the common purpose of compensating for loss of earnings.

In this respect, we differ significantly from countries like Great Britain. There, family allowances are paid even when the breadwinner has full earnings—we instead hold fast to the principle of adequate wage levels so that workers do not need a Government supplement to support their families. We differ also from the British system under which every family is entitled to free hospitalization and medical services even when the wage earner is fully employed. We believe instead that the individual who is working can—and should—make his own private arrangements for meeting medical bills.

But when earnings stop, whether temporarily or permanently, it is not sufficient simply to provide a benefit that replaces part of the wage loss. It is necessary to protect also against any special expense that goes hand in hand with the event that produced the wage loss. Thus, our workmen's compensation systems pay medical and hospital benefits as well as wage-loss benefits.

Our old-age and survivors insurance system pays a funeral benefit as well as the monthly survivor benefit. Were this not done, the wage-loss benefit would be eaten up by the accompanying expense, thus defeating the whole purpose of this benefit.

It is a well-known fact that the event that gives rise to retirement benefits—old age—is also accompanied by heavy medical costs. Some of these costs are spread over the retirement years in relatively small, even amounts. But some—and especially the costs of hospitalization—are staggeringly large and uneven in their impact. Logically, then, if the retirement benefit is not to be eroded by these costs, protection against the ex-

pense of hospitalization is absolutely essential.

The provision of health benefits for the aged through social security is thus nothing more than the necessary underpinning of the cash benefit. It is not only completely compatible with the American way of providing social security, but it is the only way in which we can handle this problem and also foster our American values of dignity and independence.

To achieve real social security in America, therefore, requires that we round out our social insurance system with health benefits, thus assuring our older people that the heavy costs of a hospitalized illness will not eat up all their retirement income and savings.

The essentials of social security in this country are threefold:

First. The basic foundation—our first line of defense—is a system of social insurance which enables workers, with the help of their employers, to put by contributions from their earnings during their working years toward benefits—payable as a matter of right and without a means test—when earnings cease or are interrupted.

Second. On this foundation, individuals are encouraged to build whatever additional private protection they can—company and union pensions, home ownership, insurance, annuities and other private savings.

Third. For those who may still have insufficient support from social insurance and private sources, public assistance, such health benefits under the Kerr-Mills program—based on a demonstration of need—is an absolute essential as a secondary line of defense.

No one of these three methods is expected—or can be expected—to do the whole job of providing income security for the Nation's older population.

All three are truly essential. They serve as complementary measures, not as alternatives.

This threefold approach—the American way—of dealing with the problem of income-maintenance in old age is equally applicable to the problem of health costs.

The problem of financing health costs of such dimensions is such that we must muster all the resources at the command of our Nation. We cannot leave the job to private insurance and public assistance alone. These two elements are essential, but they can fulfill their proper functions only if the other essential—social insurance—provides a sound base.

In our threefold approach to income security, emphasis has properly been placed on the prevention of dependency. This essential is sadly lacking in our present methods of dealing with the financing of the burdensome health costs that accompany old age. It is not until the individual has virtually exhausted his savings and resources that he can claim help with his medical costs under public assistance.

To force our older citizens into dependency—to destroy their self-respect through a declaration of poverty—is definitely not the American way.

I have heard repeatedly the claim that there is nothing demeaning about a

means test—that we all go through such a test when we apply for a loan to finance a business, to buy a home or a car, to open a charge account.

To compare the two is just so much nonsense. The man who goes to the bank for a loan goes proudly to prove his solvency, to boast of his financial stability, to show that he is a successful person who will unquestionably pay off the loan he seeks—a loan sought not out of adversity but for the mutual advantage of both himself and the lending institution.

To undergo a means test to qualify for old-age assistance or Kerr-Mills help is an altogether different thing. Then the individual is forced to confess insolvency, not solvency. He must admit that he is a failure. That he is broke. That his need is such that he must swallow all pride to beg for help.

Any attempt to equate the two—to say that taking a means test is no more nor less than what we are required to do when we apply for a bank loan—is not only absurd but it demonstrates a woeful ignorance of the self-respect and decent regard for human dignity that causes so many aged Americans who need medical care to prefer to run the risk of death rather than to submit to the humiliation of a means test.

It is not surprising then that the great majority of the American people—young and old alike—wholeheartedly support the proposed program to finance basic health benefits through contributory social insurance. Until we have rounded out our present social security program in this respect, no one can be assured that his retirement benefit will really provide the economic security it promises—that he will not after all be forced to ask for charity to meet his medical costs in old age.

The proposal does not—despite the statements of some of its opponents—place a new and unacceptable financial burden on our working population. They are now meeting these costs in one way or another—through individual sacrifice to meet the medical bills of an aged parent, through income taxes to finance public assistance, through higher premiums paid to Blue Cross and other group plans which try to spread the excess costs for the aged among all members, through hospital charges that are upped to absorb the deficit for patients who cannot pay full costs.

The American people are now seeking—and the proposal before us would provide—a more orderly and equitable way of meeting these costs—a way that prepays costs before old age and that emphasizes the prevention of dependency—in fact, the American way applied to the financing of health costs.

### ADJOURNMENT

Mr. KERR. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate now stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p.m.) the Senate adjourned, under the order previously

entered, until tomorrow, Wednesday, July 11, 1962, at 12 o'clock meridian.

### NOMINATIONS

Executive nominations received by the Senate July 10, 1962:

#### OFFICE OF SCIENCE AND TECHNOLOGY

Jerome B. Wiesner, of Massachusetts, to be Director of the Office of Science and Technology.

#### IN THE ARMY

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3384:

#### To be major generals

Brig. Gen. Frederick Henry Garber, O385526.  
Brig. Gen. Beryl Jacob Pace, O287041.

#### To be brigadier generals

Col. Edward Ferdinand Baumer, O323662, Infantry.  
Col. Lowell Joseph Bradford, O357923, Army Intelligence.  
Col. James Rieser Bright, O376675, Ordnance Corps.  
Col. Allan Robert Greene, O294164, Artillery.  
Col. August Herman Groeschel, O345922, Medical Corps.  
Col. Oscar Perry Hampton, Jr., O403301, Medical Corps.  
Col. Hatzel Lester Harris, O306806, Infantry.  
Col. David Canfield Hastings, O352481, Transportation Corps.

Col. Raymond Edward Mason, Jr., O409410, Artillery.

Col. Walter Gordon Moran, O296649, Corps of Engineers.

Col. Edwin Fay Smith, O325548, Infantry.  
The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

#### To be major generals

Brig. Gen. Clarence Birnie Johnson, Jr., O268791.

Brig. Gen. Wendell Crane Phillippi, O1288114.

Brig. Gen. Everett Selden Simpson, O405521.

#### To be brigadier generals

Col. Robert Maddock Backes, O374057, Artillery.

Col. Marvin Theron Ball, Jr., O403935, Artillery.

Col. Robert Aye Ballard, O342774, Infantry.

Col. Harold Raymond Bauer, O298149, Artillery.

Col. Robert Clarke Dunnington, O300413, Artillery.

Col. Donald Charles Grant, O360644, Artillery.

Col. Kermit Lafayette Guthrie, O346619, Artillery.

Col. Ivan Hardesty, O399704, Infantry.

Col. Ralph Maurice Krieger, O405796, Infantry.

Col. Edwin Leroy Shull, O355061, Infantry.  
Col. Edwin Anson Simpson, O358764, Infantry.

Col. Thomas Graham Wells, Jr., O366471, Artillery.

The Army National Guard of the U.S. officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

#### To be major generals

Brig. Gen. Thomas Sams Bishop, O403542.  
Col. Junior Franklin Miller, O385454, Infantry.

#### To be brigadier general

Col. Bernard Joseph Kitt, O330803, Infantry.

### CONFIRMATIONS

Executive nominations confirmed by the Senate July 10, 1962:

#### U.S. PATENT OFFICE

Manuel C. Rosa, of Virginia, to be an examiner in chief, U.S. Patent Office.

#### U.S. DISTRICT JUDGE

Louis Rosenberg, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania.

### WITHDRAWAL

Executive nomination withdrawn from the Senate July 10, 1962:

#### PEACE CORPS

Paul F. Geren, of Texas, to be Deputy Director of the Peace Corps, which was sent to the Senate on February 19, 1962.

## EXTENSIONS OF REMARKS

### Joint Planning and Development Along California-Mexican Border

#### EXTENSION OF REMARKS

OF

#### HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, July 10, 1962

Mr. MORSE. Madam President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD a resolution passed by the Assembly of the California Legislature in the 1962 session.

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

RESOLUTION OF THE ASSEMBLY, CALIFORNIA LEGISLATURE, 1962 (FIRST EXTRAORDINARY) SESSION, RELATING TO JOINT PLANNING AND DEVELOPMENT ALONG CALIFORNIA-MEXICAN BORDER

(By Hon. Thomas M. Rees, of the 59th district; Hon. Sheridan N. Hegland, of the 77th district, and Hon. Frank Luckel, of the 78th district)

Whereas California is one of four States which share our Nation's southern international frontier with the Republic of Mexico; and

Whereas that portion of the border contained within California traverses an area having many common planning and development problems, which problems require joint collaboration between Federal, State, and local government and the Mexican Government; and

Whereas the Republic of Mexico has already initiated a comprehensive program

along the entire length of its frontier with the United States, and is especially desirous of collaborating with the State of California and the county and city governments directly affected in the counties of San Diego and Imperial, and certain informal exploratory talks have already taken place; and

Whereas there exists opportunities to utilize the Federal planning assistance grant program to permit the State office of planning, and counties, and cities, to participate in such a joint planning effort: Now, therefore, be it

*Resolved by the Assembly of the State of California,* That the State office of planning in the department of finance be requested to explore in collaboration with local governments in the border zone, the possibility for joint planning with the Republic of Mexico to the end that this area of mutual social and economic interest, and of long-standing international amity may develop in the most satisfactory manner and contribute more fully to the traditional good will and social and commercial ties which have long existed between California and its great Latin American neighbor; and be it further

*Resolved,* That the speaker appoint two members of this house to participate in such conferences and meetings as may be necessary to give effect to this resolution; and be it further

*Resolved,* That the chief clerk of the assembly is directed to transmit copies of this resolution to the State office of planning, to the Counties of San Diego and Imperial, and to the appropriate Mexican officials.

House Resolution 63, read and adopted unanimously April 9, 1962.

Signed JESSE M. UNRUH,  
Speaker of the Assembly.

Attest:

ARTHUR A. OHNIMUS,  
Chief Clerk of the Assembly.

Mr. MORSE. The resolution relates to joint planning and development along the California-Mexican border of a project that has become known as the Mexican border project. It is a project that seeks to improve the living conditions in many of the Mexican towns on the Mexican side of the border. It is a slum clearance program. It is more than that. It is a program that calls for the building of schools, hospitals, and cultural centers. It is a program that has elicited a great deal of support, not only from the California Legislature but from chambers of commerce in California and in Texas. It is a project that I know the President of Mexico has made clear is one that he considers to be of high priority ranking in the projects that Mexico has in mind in connection with the Alliance for Progress program. I think it is particularly interesting that we have the resolution passed by the California Assembly of the California Legislature in dealing with the project. It is, of course, a project that would be a great showcase as to what the Alliance for Progress program can really do for millions of citizens of the United States who will see it over the years.

Incidentally, as American chambers of commerce represent, the project would be a great inducement also for similar improvements in towns on the American side of the border. Of course, there is no doubt about the fact that the American groups have a selfish interest in the project, but it is a legitimate selfish interest, for the improvement of living conditions in the Mexican towns in-



volved in the border project would not only bring great and needed benefits to thousands and thousands of American cities, but also would be a great inducement to tourism. Some of our American friends in Texas and California have said in their communications to us, that instead of flying to Mexico City, thousands of Americans will drive to Mexico through California and Texas and through the beautiful cities in Mexico which will result from the project.

### Expanding Dairy Research

#### EXTENSION OF REMARKS OF

#### HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, July 10, 1962

Mr. WILEY. Mr. President, in an age of exploration, the economic outlook for agriculture could be dramatically improved, if we expanded research for finding new, different—particularly commercial—industrial uses for farm commodities.

This is especially true in dairying.

Over the weekend, I was privileged to discuss the need for expanding such research in a broadcast over Wisconsin stations.

I ask unanimous consent to have excerpts of the address printed in the RECORD.

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

#### WILEY URGES EXPANDED RESEARCH FOR INDUSTRIAL USES FOR DAIRY PRODUCTS

(Excerpts of address prepared for delivery by Senator ALEXANDER WILEY, Republican, of Wisconsin, over Wisconsin radio stations, Saturday, July 7, 1962)

I am happy to report to you once again from Washington on the farm outlook. Legislatively, the prospects for realistic, economy-improving action are extremely dim.

As you recall, the Senate recently voted down an omnibus farm bill, the principal reason being the degree of regimentation and control. As of now, the House of Representatives is attempting to hammer out a new farm bill.

Earlier this session, I introduced legislation, bill S. 2414, for the establishment of a Dairy Research Laboratory in Madison, Wis. The purpose would be to find greater industrial-commercial uses for dairy products.

Over the years, there has been increasing recognition of the need for such research. In the 86th Congress, the Senate approved legislation for expanding research to find industrial uses for farm commodities. Again in the 87th Congress, the Senate Agriculture Committee favorably reported such a recommendation to the Senate—including specific recommendations for dairying. As mentioned, however, the measure also contained so many other controversial provisions that it was voted down.

The battle, however, must go forward. The following steps, for example, can—and should—be taken:

1. Efforts by the dairy industry, itself to pool funds to step up research for commercial-industrial uses for dairy commodities.

2. Enactment by Congress of the Wiley bill for the establishment of a Dairy Research Laboratory in Madison, Wis.

3. Earmarking of more administrative funds—now available to the Secretary of Agriculture—for dairy research for commercial-industrial purposes.

In such industries as paper, petroleum, corn, and cotton, research and development programs have been carried on by nationwide, industry-supported research organizations.

Generally, this new product research has paid off.

In the past, too, there have been outstanding examples of Government-private enterprise cooperation in such endeavors.

The Forest Products Laboratory of Madison, for example, works closely in cooperation with privately owned forest interests on the development of new wood products—and uses for such products—in home, business, industry and elsewhere in the economy.

The establishment of greater cooperative effort on dairy research, I believe, could also result in some progress in economic awards.

#### OUTLOOK

In 1961, the Nation produced about 125 billion pounds of milk—with Wisconsin's output of about 18 billion pounds. For 1962, milk production is expected to increase to 127 billion pounds.

As of now, there are stockpiles of milk products, including: 376.6 million pounds of butter; 92.8 million pounds of cheese; and 471.7 million pounds of nonfat dry milk.

Successful research in finding new uses for milk and other dairy commodities would reduce the cost of the price support program and improve the economic outlook of the dairy industry.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 11, 1962

The House met at 12 o'clock noon.

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

St. Paul's declaration concerning God: Acts 17: 28: *He is not far from any one of us; for in Him we live and move and have our being.*

Almighty God, we gratefully acknowledge that Thou hast planted in the heart of all mankind the religious sentiment and ordained it to be the one universal and elemental factor causing human life everywhere to pulse with the same great needs and longings and hopes.

May we have the insight to see and understand that in this religious instinct, inhabiting the soul of man, we have the supreme revelation of the spiritual oneness of humanity and the ultimate basis of human brotherhood.

Would that it might be true of our beloved country that this is a republic whose spirit is fundamentally and predominantly religious in character and that our spiritual ideals transcend and transfigure our secularism and our materialism.

Hear us in Christ's name. Amen.

### THE JOURNAL

The Journal of the proceedings of Monday, July 9, 1962, was read and approved.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 12, 1962:

H.R. 1347. An act for the relief of Adolf M. Bailler;

H.R. 1653. An act for the relief of William Falby;

H.R. 2839. An act for the relief of Mildred Love Hayley; and

H.R. 4783. An act to grant constructive service to members of the Coast Guard Women's Reserve for the period from July 25, 1947, to November 1, 1949.

On June 15, 1962:

H.R. 2833. An act for the relief of Franziska Aloisia Fuchs (nee Tercka);

H.R. 7559. An act to amend title 39 of the United States Code to provide for additional writing or printing on third and fourth class mail; and

H.J. Res. 638. Joint resolution for the relief of certain aliens who are serving in the U.S. Armed Forces.

On June 19, 1962:

H.R. 3247. An act to amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section;

H.R. 3595. An act for the relief of Anna Isernia Alloca;

H.R. 3633. An act for the relief of Angelina Ralnone;

H.R. 3714. An act for the relief of Janina Maciejewska;

H.R. 4655. An act for the relief of Adele Anis Mansour;

H.R. 7061. An act to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes;

H.R. 10502. An act for the relief of James B. Troup and Sylvia Mattiat;

H.R. 10788. An act to amend section 204 of the Agricultural Act of 1956;

H.R. 6330. An act for the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children;

H.R. 6695. An act to amend title 39 of the United States Code with respect to the transportation of mail by highway post office service, and for other purposes;

H.R. 7416. An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes; and

H.R. 10162. An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system.

On June 25, 1962:

H.R. 4083. An act to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products;

H.R. 4939. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 5456. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H.R. 7532. An act to amend title 39 of the United States Code relating to funds received