to countries having a Communist government; to the Committee on Agriculture.

By Mr. GREEN of Pennsylvania:

H.R. 12470. A bill to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her husband on the same basis as a single woman; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 12471. A bill to regulate the shipment of weapons into any State, territory, or possession of the United States or into the District of Columbia where the unlicensed possession of such weapons is illegal under the law of such State, territory, or possession, or of the District of Columbia, and for other purposes; to the Committee on the Judiciary.

By Mrs. HANSEN:

H.R. 12472. A bill to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce; to the Committee on Agriculture.

By Mr. HARDING:

H.R. 12473. A bill to release the right, title, or interest, if any, of the United States in certain streets in the village of Heyburn, Idaho, and to repeal the reverter in patent for public reserve; to the Committee on Interior and Insular Affairs.

By Mr. CLEM MILLER:

H.R. 12474. A bill to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce; to the Committee on Agriculture.

By Mrs. PFOST:

H.R. 12475. A bill to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce; to the Committee on Agriculture.

By Mr. THOMPSON of New Jersey.

H.R. 12476. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

Mr. PUCINSKI.

H.R. 12477. A bill to amend the act providing financial assistance for local educational agencies in areas affected by Federal activities in order to provide educational assistance under the provisions of such act to the District of Columbia and to make the change in the District of Columbia motor fuel tax law needed to insure that such assistance will be fully effective; to the Committee on Education and Labor.

By Mr. DOLE:

H.R. 12478. A bill to amend and extend for 1 year the present wheat program and to postpone the date of the 1963 wheat referendum to no later than August 10, 1962; to the Committee on Agriculture.

By Mr. FASCELL:

H.R. 12479. A bill to promote the orderly transfer of the Executive power in connection with the expiration of the term of office of a President and the inauguration of a new President; to the Committee on Government Operations.

By Mr. LANE:

H.R. 12480. 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; to the Committee on Veterans' Affairs.

By Mr. GLENN:

H.J. Res. 808. Joint resolution granting consent of Congress to the State of Delaware and the State of New Jersey to enter into a compact to establish the Delaware River and Bay Authority for the development of the area in both States bordering the Delaware River and Bay; to the Committee on the Judiciary.

By Mr. COOLEY:

H.J. Res. 809. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963; to the Committee on Agriculture.

By Mr. SCRANTON:

H.J. Res. 810. Joint resolution proposing an amendment to the Constitution of the United States permitting the voluntary recitation of a prayer in public schools; to the Committee on the Judiciary.

By Mr. LANE:

H.J. Res. 811. Joint resolution proposing an amendment to the Constitution of the United States pertaining to the offering of prayers in public schools and other public places in the United States; to the Committee on the Judiciary.

By Mr. CAHILL:

H.J. Res. 812. Joint resolution granting consent of Congress to the State of Delaware and the State of New Jersey to enter into a compact to establish the Delaware River and Bay Authority for the development of the area in both States bordering the Delaware River and Bay; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. LANE: Memorial of the General Court of Massachusetts, memorializing the Congress of the United States to permit the operation of a free market for silver; to the Committee on Banking and Currency.

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to permit the operation of a free market for silver; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to immediately pass legislation permitting the recitation of nondenominational prayers in public schools; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 12481. A bill for the relief of Giuseppe Stellario; to the Committee on the Judiciary.

By Mr. BECKER:

H.R. 12482. A bill for the relief of Demetrios Haspoglou; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H.R. 12483. A bill for the relief of St. Joseph's Hospital; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 12484. A bill for the relief of Mrs. Chin Shui Ying and daughter Chin Oi Wan; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 12485. A bill for the relief of Dr. Woo Yoon Chey; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 12486. A bill for the relief of Dr. Jose Felix Garcia; to the Committee on the Judiciary.

By Mr. GOODELL:

H.R. 12487. A bill for the relief of Mary Gabriella Gomes; to the Committee on the Judiciary.

By Mr. KEARNS:

H.R. 12488. A bill for the relief of Tow-Chung Rhee; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 12489. A bill for the relief of Paolo Armano; to the Committee on the Judiciary.

By Mr. MORGAN:

H.R. 12490. A bill for the relief of Mrs. Delia Pili; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 12491. A bill for the relief of Toufic Renno; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

381. By the SPEAKER: Petition of Irving Segall, executive director, Master Furriers Guild of America, Inc., New York, N.Y., urging the Members of the Congress to preserve the constitutional rights of the citizens of the United States of America and to urge them to vote against the granting of extrajudicial powers presently being requested for the Federal Trade Commission; to the Committee on Interstate and Foreign Commerce.

382. Also, petition of William Capman, secretary, Commissioners of Fairmont Park, Philadelphia, Pa., relative to expressing support for the principles and purposes of the wilderness bill and urging its passage; to the Committee on Interior and Insular Affairs.

383. Also, petition of Taylor Green, president, Sarasota Project Alert, Sarasota, Fla., requesting an amendment to the Federal Constitution as is necessary so that open, humble acknowledgment of our dependence upon and our responsibility to our God is never restricted; to the Committee on the Judiciary.

SENATE

WEDNESDAY, JULY 11, 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:

Our Father, God, we come with grateful hearts for quiet cloisters of the spirit where, in moments of reverential calm at the altar of Thy sustaining and forgiving grace, Thou dost restore our jaded souls.

We pray to be saved from giving to the tasks that await us anything less than our truest and best. Deliver us from any failure of self-control and from words spoken in haste or in passion.

With clear eyes, may we see Thee as our Father, our fellows near and far as our neighbors, and ourselves as our brothers' keepers. In that vision splendid of Divine Fatherhood and of human brotherhood, may we dream our dreams, fashion our lives, enact our laws, build our Nation, and plan our world until this shadowed earth, which is our home, moves in the orbit of Thy redeeming love.

We ask it in the hallowed name of Him for whose coming Kingdom we pray. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 10, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on July 10, 1962, the President had approved and signed the following acts and joint resolution:

S. 1526. An act for the relief of Joey Kim Purdy;

S. 1943. An act for the relief of Hajime Sumitani;

S. 1969. An act to amend the Federal Aviation Act of 1958, as amended, to provide for supplemental air carriers, and for other purposes;

S. 2107. An act to amend title 14, United States Code, entitled "Coast Guard," to extend the application of certain laws relating to the military services to the Coast Guard for purposes of uniformity;

S. 2198. An act for the relief of Lise Marie Berthe Marguerite De Simone;

S. 2300. An act for the relief of Byron Wong;

S. 2355. An act for the relief of Filomena F. Schenkenberger;

S. 2606. An act for the relief of Patricia Kim Bell (Kim Booshin);

S. 2607. An act for the relief of Lee Hwa Sun;

S. 2633. An act for the relief of Susan Holt Lerke (Choi Sun Hee);

S. 2709. An act for the relief of Ernst Fraenkel and his wife, Hanna Fraenkel;

S. 2732. An act for the relief of Yoon So Shim;

S. 3025. An act to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company; and

S.J. Res. 201. Joint resolution to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed.

REPORT OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 468)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences:

To the Congress of the United States:

Pursuant to the provisions of the National Aeronautics and Space Act of 1958, as amended, I transmit herewith a report on the activities and accomplishments of the National Aeronautics and Space Administration for the period of October 1, 1960, through June 30, 1961. This is the fifth of these reports since the passage of the legislation establishing that agency, and supplements, in more detail, my annual report of January 31, 1962, which covered some of the same time period and reported on all agencies with responsibilities in the national effort in aeronautics and space.

Since the period covered by this report, the National Aeronautics and Space Administration, in cooperation with other agencies of the Government, has made substantial strides toward meeting our new and more ambitious aeronautics and space goals. This noteworthy progress, supported by the Congress, contributed to American leadership in many significant aspects in space accomplishments and has laid substantial foundation for greater successes in the future.

JOHN F. KENNEDY.

THE WHITE HOUSE, *July 11, 1962.*

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (S.J. Res. 68) providing for the designation of the week commencing October 14, 1962, as National Public Works Week, and it was signed by the President pro tempore.

LIMITATION OF DEBATE DURING MORNING HOUR

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

On request of Mr. MANSFIELD, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Judiciary Committee was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Subcommittee on Nominations of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

CONSIDERATION TOMORROW OF NOMINATION OF MATTHEW H. McCLOSKEY TO BE AMBASSADOR TO IRELAND

Mr. MANSFIELD. Mr. President, for the information of the Senate, and with the concurrence of the distinguished minority leader, I request that, notwithstanding any unanimous-consent agreements heretofore entered into, the Senate take up tomorrow, at the conclusion of the morning hour, the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador to Ireland.

The VICE PRESIDENT. Is there objection? The Chair hears none; and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON RESEARCH CONTRACT WITH CBS LABORATORIES

A letter from the Acting Director, U.S. Information Agency, Washington, D.C., reporting, pursuant to law, on a research contract with CBS Laboratories, a division of Columbia Broadcasting System, Inc., in the amount of $98,000, plus certain special technical expenses; to the Committee on Government Operations.

AUDIT REPORT ON ALASKA RAILROAD

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Alaska Railroad, Department of the Interior, fiscal years 1960 and 1961 (with an accompanying report); to the Committee on Government Operations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, COW CREEK UNIT, TRINITY RIVER DIVISION, CENTRAL VALLEY PROJECT

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Cow Creek unit, Trinity River division, Central Valley project (with an accompanying paper); to the Committee on Interior and Insular Affairs.

APPLICATIONS FOR LOANS UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an application for a loan under the Small Reclamation Projects Act of 1956 for the Orchard City Irrigation District in Delta County, Colo., in the amount of $270,000 (with acompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an application for a loan under the Small Reclamation Projects Act of 1956 for the Cassia Creek Reservoir Co. of Malta, Idaho, in the amount of $2,351,600 (with accompanying papers); to the Committee on Interior and Insular Affairs.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

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

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Banking and Currency:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PERMIT THE OPERATION OF A FREE MARKET FOR SILVER

"Whereas the present silver policies of the United States prevent the operation of a free market for silver; and

"Whereas the lack of a free market results in an artificially high price for silver to the detriment of millions of consumers in the United States and thousands of workers in Massachusetts; and

"Whereas the President of the United States has submitted legislation to the Congress designed to permit the operation of a free market for silver; and

"Whereas the Senators from the Commonwealth of Massachusetts have cosponsored legislation designed to permit the operation of a free market for silver: Therefore be it

"Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to take immediate section to permit the operation of a free market for silver through the enactment into law of either S. 2420, S. 2885, or H.R. 10384; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress and to the Members thereof from the Commonwealth.

"Adopted by the house of representatives, June 26, 1962.

"WILLIAM C. MAIERS, *Clerk.*

"Adopted by the senate, in concurrence, June 28, 1962.

"THOMAS A. CHADWICK, *Clerk.*

"Attest:

"KEVIN H. WHITE,
"Secretary of the Commonwealth."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION 15

"Concurrent resolution memorializing Congress to grant a national charter to the Polish Legion of American Veterans

"Whereas the Polish Legion of American Veterans has existed for the past 30 years, with current membership of approximately 25,000 American citizens of Polish descent; and

"Whereas members and auxiliaries' members, as a major portion of their official benevolent and charitable activities, devote substantial and sustained efforts in aid of all classes of veterans in the United States—in hospitals, rest homes and wherever and in whatever their need may indicate; and

"Whereas the Polish Legion of American Veterans and auxiliaries foster the development of American citizenship, civic and community welfare and progress: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Congress of the United States be and hereby is memorialized to enact legislation now before it to grant a national charter to the Polish Legion of American Veterans; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the Senate, the Speaker of the House of Representatives, and each Michigan delegate to the Congress of the United States, and to the commander of each State Polish Legion of American Veterans.

"Adopted by the house March 7, 1962.

"NORMAN E. PHILLES,
"Clerk of the House of Representatives.

"Adopted by the senate June 26, 1962.

"BERYL I. KENYON,
"Secretary of the Senate."

Resolutions of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO IMMEDIATELY PASS LEGISLATION PERMITTING THE RECITATION OF NONDENOMINATIONAL PRAYERS IN PUBLIC SCHOOLS

"Resolved, That the Massachusetts House of Representatives hereby urges the Congress of the United States to immediately pass legislation setting in motion the necessary process for amending the U.S. Constitution permitting the recitation of nondenominational prayers in our public schools; and be it further

"Resolved, That the Massachusetts House of Representatives urges upon the Congress the importance of authorizing local authorities in accordance with local custom and practice to provide for the voluntary recitation of nondenominational prayers in public schools; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"Adopted by the house of representatives, June 28, 1962.

"WILLIAM C. MAIERS,
"Clerk.

"Attest:

"KEVIN H. WHITE,
"Secretary of the Commonwealth."

A letter in the nature of a petition from Joseph Mitchell, of Columbus, Ohio, relative to a formula for world peace; to the Committee on Foreign Relations.

A resolution adopted by the Mississippi State Baptist Encampment and Youth Assembly of the Mississippi Baptist Association, protesting against the decision of the U.S. Supreme Court regarding prayer in the New York public schools; to the Committee on the Judiciary.

The petition of Francisco Cepero, of Santurce, P.R., praying for a redress of grievances; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILLIAMS of New Jersey, from the Committee on Banking and Currency, without amendment:

H.R. 11670. An act to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes (Rept. No. 1703).

By Mr. MANSFIELD, from the Committee on Rules and Administration, without amendment:

S. 3408. A bill to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons (Rept. No. 1715);

S. Res. 350. Resolution increasing the limit of expenditures for the Committee on Finance;

S. Res. 357. Resolution increasing the limit of expenditures by the Committee on Government Operations under Senate Resolution 250, 87th Congress (Rept. No. 1705);

S. Res. 358. Resolution to increase the amount of funds for the investigation of juvenile delinquency (Rept. No. 1706);

S. Res. 360. Resolution authorizing additional funds for an investigation of migratory labor (Rept. No. 1707);

S. Res. 362. Resolution to study the nondiplomatic activities of foreign governments (Rept. No. 1708);

H. Con. Res. 413. Concurrent resolution authorizing the printing of additional copies of "Supplement to Cumulative Index to Publications of the Committee on Un-American Activities—1955 Through 1960 (84th, 85th, and 86th Congresses)," 87th Congress, 1st session (Rept. No. 1709);

H. Con. Res. 415. Concurrent resolution authorizing the printing of additional copies of the publication entitled "Cumulative Index to Publications of the Committee on Un-American Activities, 1938–54," 84th Congress, 1st session (Rept. No. 1710);

H. Con. Res. 417. Concurrent resolution authorizing the printing of additional copies of House Report No. 1278, parts 1 and 2, 87th Congress, 1st session (Rept. No. 1711);

H. Con. Res. 454. Concurrent resolution authorizing the printing of additional copies of the "Hearings on Small Business Problems Created by Petroleum Imports" (Rept. No. 1712);

H. Con. Res. 476. Concurrent resolution providing for additional copies of hearings on Judicial Review of Veterans' Claims, 87th Congress, 2d session (Rept. No. 1713); and

H. Con. Res. 480. Concurrent resolution authorizing the printing of a report entitled "Motor Vehicles, Air Pollution and Health" as a House document, and providing for additional copies (Rept. No. 1714).

By Mr. MANSFIELD, from the Committee on Rules and Administration, with an amendment:

S.J. Res. 195. Joint resolution creating and establishing the Capitol Commission (Rept. No. 1717); and

S. Res. 359. Resolution authorizing the creation of a Subcommittee on Intergovernmental Relations (Rept. No. 1716).

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

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite (Rept. No. 1718).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 4449. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes (Rept. No. 1719); and

H.R. 12180. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders (Rept. No. 1720).

ACQUISITION OF, AND CONVEYANCE OF CERTAIN PROPERTY IN DISTRICT OF COLUMBIA TO INTERNATIONAL MONETARY FUND—REPORT OF A COMMITTEE (S. REPT. NO. 1721)

Mr. SPARKMAN, from the Committee on Foreign Relations, reported favorably without amendment, the joint resolution (H.J. Res. 714) authorizing the acquisition of certain property in the District of Columbia and its conveyance to the International Monetary Fund, on a full reimbursement basis, for use in expansion of its headquarters, and submitted

a report thereon; which joint resolution was placed on the calendar, and the report was ordered to be printed with an illustration.

WORK HOURS ACT OF 1962—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1722)

Mr. McNAMARA. Mr. President, from the Committee on Labor and Public Welfare I report favorably without amendment, the bill (H.R. 10786), to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of Senators GOLDWATER and TOWER.

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 Michigan.

REPORT ENTITLED "NATIONAL PENITENTIARIES"—REPORT OF A COMMITTEE — SUPPLEMENTAL VIEWS (S. REPT. NO. 1704)

Mr. LONG of Missouri. Mr. President, from the Committee on the Judiciary I submit a report entitled "National Penitentiaries" pursuant to Senate Resolution 57, 87th Congress, 1st session, as extended, together with the supplemental views of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and the junior Senator from Missouri [Mr. LONG].

Mr. President, I ask unanimous consent that the report, together with the supplemental views, be printed.

The VICE PRESIDENT. Without objection, the report will be received and printed, as requested by the Senator from Missouri.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:

One hundred and seventy-four postmaster nominations.

By Mr. MAGNUSON, from the Committee on Commerce:

Ned Colden Austin and Richard James DeRycke, for permanent appointment in the Coast and Geodetic Survey; and

Daniel F. Leary, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

BILLS INTRODUCED

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

By Mr. HART:

S. 3527. A bill for the relief of Jose L. Rodriguez; to the Committee on the Judiciary.

By Mr. HART (for himself and Mr. McNAMARA):

S. 3528. A bill to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. CLARK (for himself and Mr. BURDICK):

S. 3529. A bill to amend the Manpower Development and Training Act of 1962 with regard to reimbursement of the railroad unemployment insurance account; to the Committee on Labor and Public Welfare.

By Mr. CLARK (for himself, Mr. WILLIAMS of New Jersey, Mr. CASE, Mr. JAVITS, and Mr. SCOTT):

S. 3530. A bill to authorize establishment of the Tocks Island National Recreation Area in the States of Pennsylvania and New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. HILL:

S. 3531. A bill to amend the Public Health Service Act to provide greater flexibility in the organization of the Service, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. HART:

S. 3532. A bill to confer jurisdiction on the Court of Claims to entertain, hear, and determine a motion for a new trial on the claim of Robert Alexander; to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. DOUGLAS):

S. 3533. A bill to amend section 3 of the Federal Deposit Insurance Act to include within the definition of "State banks" branches of foreign banks authorized under State law to accept deposits; to the Committee on Banking and Currency.

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

SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICH.

Mr. HART. Mr. President, I introduce, for appropriate reference, on behalf of myself and my colleague, the senior Senator from Michigan [Mr. McNAMARA], a bill to establish the Sleeping Bear Dunes Lakeshore, in Michigan.

This new bill (S. 3528) replaces the earlier bill (S. 2153). We are requesting the Senate Interior Committee now to focus its consideration on this new bill.

Since introduction a year ago of the original bill proposing the preservation of the Michigan shoreline at Sleeping Bear Dunes, it is my good fortune to be able to report today that much progress has been made toward resolving some of the difficult questions posed by that first bill.

Mr. President, there have been numerous public and private meetings, much thoughtful correspondence, a public hearing by the Subcommittee on Public Lands of the Senate Interior Committee, and immeasurable effort on the part of many groups and individuals. To those who have written, met, and talked goes much of the credit for bringing this new bill into being.

The Michigan Parks Association, the Michigan United Conservation Clubs, the Sleeping Bear Dunes Citizens Council, the Michigan Bear Hunters Association, the members of the Michigan State Conservation Commission, and the staff of the Michigan State Department of Conservation, the Benzie County Board of Supervisors, the Traverse City Motel Owners Association, the local chambers of commerce, private property owners associations all have made constructive and helpful contributions to the new bill.

While it is difficult to single out individuals from among the many who have contributed, I would be remiss if I did not express our thanks to persons such as Harold Titus, Judge Ormond Danford, and Jack Benzenberg, of Traverse City; Custer Carland, of Frankfort; Harold McClure, of Alma; W. K. McInally, of Jackson; and John Beukema, of Muskegon.

Three weeks ago I outlined the features of the new bill in Traverse City. We expect to have many such meetings in the area and elsewhere in the State before this proposal reaches its final form.

In recent years, as the Congress and the Department of the Interior have moved their attention from creating national parks out of public lands in the West and have turned their attention to providing new recreation and park developments in the highly populated Middle West and East, totally new policy problems have presented themselves. At times these problems have seemed insurmountable. Yet we know that solutions must be found which will permit ours and future generations to enjoy America's magnificent outdoors and prevent the disappearance of these unique corners of creation behind no trespassing signs.

In the year Senator McNAMARA and I have worked on preserving two shoreline areas in Michigan, it has become clear to us that each new area suggested for preservation requires special legislative tools to meet the peculiar problems of each separate area.

One year ago Congress established a new National Seashore Area at Cape Cod. At Cape Cod the central problem was the preservation of long-established historic communities and a stabilization of the area to preserve a part of our American historical heritage. New formulations were necessary to accomplish this purpose. The continuation of these historic communities became an essential part of the seashore proposal. This was accomplished.

At the Pictured Rocks on Michigan's Lake Superior shoreline we needed to evolve a proposal which would permit the continued utilization of a basic timber resource while preserving and providing access to a unique portion of our American shoreline. A short time ago we introduced a new bill—S. 3364—proposing methods for accomplishing this objective.

At the Sleeping Bear Dunes area the knotty problem is how to protect homes and cottages from threat of condemnation and provide a logical formula for the compatible development in the area of public enjoyment and continued private use as the people presently residing

there have known it. Senator McNAMARA and I believe we have accomplished this dual objective in the new bill which we are introducing today.

The new bill protects homes from condemnation. It provides for continued commercial activities compatible with the development of the area for recreation purposes. The tax base so important to local communities and schools is substantially preserved. New methods of providing for greater local and State participation in managing the lakeshore area have been evolved. Hunting and fishing would be permitted under State law.

The plan for public development of this area by the National Park Service provides for a separate system of park roads designed to open the undeveloped areas within the boundaries for public access and effectively to divert traffic from the present residential developments.

Our new bill for the establishment of the Sleeping Bear Dunes National Lakeshore will preserve for our generation and future generations 1 of the 12 remaining segments of our Nation's shorelines designated in the Department of the Interior's shoreline survey as warranting and justifying national recognition. This survey and the resulting thorough field and ground studies in the late 1950's were the basis for our starting the legislative consideration.

This lakeshore will bring to the area and to the State of Michigan economic benefits in terms of increased tourist revenues equivalent to the establishment of 10 average-sized Michigan industries.

No one who has sought access to our Great Lakes shoreline can be unaware of the private development which has closed off mile after mile to public access. "The disappearing shoreline" is no myth.

The new bill we are introducing today has the following features:

First. Inland lakeshore residential areas will be set up and permanently protected from condemnation. New construction will be permitted in these areas and likewise protected. Precise boundaries of these areas will be determined jointly by a Lakeshore Advisory Commission and the Secretary of the Interior.

Second. The Secretary of Interior will not be allowed to develop land for public use within the inland lake residential areas for 25 years.

Third. Outside the inland lakeshore residential areas, no dwelling constructed before July 1, 1961, could be condemned if it is within an area that is adequately zoned. The new feature, additionally limiting condemnation: even if such dwelling is not in a zoned area, the owner may protect it by granting a mutually protective scenic easement. In other words, a private agreement comparable to a zoning code.

Fourth. In any condemnation proceedings, the fair market value will be determined under full judicial protection.

Fifth. Hunting and fishing rights to be protected, under State law.

Sixth. The following commercial land uses will be specifically permitted within the park: marinas, commercial farms, orchards, rental cottages, camps, crafts and arts studios, and Christmas tree farms. As far as we know, all businesses currently within the proposed park fall into one of these categories.

Seventh. The membership of the local-State Lakeshore Advisory Commission is expanded from 5 to 10 members, and the Commission is given a key role in the final determination of the boundaries for the inland lakeshore residential areas.

Eighth. The Secretary of Interior is directed to prepare and implement a land and water use plan, including provision for the management and utilization of renewable resources.

Ninth. If a citizen elects to sell his property to the Government and is under hardship, the Secretary is directed to give priority to that case.

Tenth. The Secretary is directed to develop any public use areas in a manner that will not diminish the value and enjoyment of improved residential property.

It is our hope that this proposal will receive the fullest kind of scrutiny and discussion over the months ahead. Suggestions and criticisms will continue to be welcome. Certainly no claim is made that "this is it—the final, best answer." I am sure further discussion and hearings will refine and improve the bill.

At the beginning of the new Congress, it will be our intention to introduce a measure substantially along these lines but reflecting any additional constructive ideas that are presented to us in the interim. It is our belief that the July 1, 1961, cutoff date which has been a part of the definition of "improved property" should form an integral part of any new bill in the next Congress.

In order that Members of Congress and all interested citizens may have in one place the fullest information with respect to this new legislation, I ask unanimous consent that there be inserted in the RECORD at this point the text of the new bill, questions and answers on the new bill, and a summary of its provisions.

Mr. President, I believe we are on the right track and that with the new provisions which have been evolved, the proposal is receiving ever wider support within the proposed boundaries and within the State of Michigan generally.

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

The bill (S. 3528) to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes, introduced by Mr. HART (for himself and Mr. MCNAMARA), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to preserve for the benefit, inspiration, education, recreational use, and enjoyment of the public a significant portion of the diminishing shoreline of the United States and its related geographic and scientific features, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to take appropriate action, as herein provided, to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore.

(b) In developing and preserving the Lakeshore, substantial reliance shall be placed on cooperation between Federal, State and local governments to apply sound principles of land use planning and zoning. Such land use plans and local zoning shall provide an alternative to the necessity for the Secretary to use his condemnation authority.

(c) With establishment of appropriate local zoning by-laws, authority to condemn improved property and property situated within an inland lakeshore residential area is suspended by this Act. In instances where owners of such property desire to sell they may retain right of use for specified periods. In developing the Lakeshore full recognition shall be given to protecting the private properties for the enjoyment of the owners.

SEC. 2. The area comprising that particular land and water depicted on the map identified as number NS-SBD-7000, "Proposed Sleeping Bear Dunes National Seashore," dated June 15, 1961, which is on file and available for public inspection in the office of the National Park Service of the Department of the Interior, is hereby designated for establishment as the Sleeping Bear Dunes National Lakeshore. An exact copy of such map shall be filed for publication in the Federal Register within thirty days following the date of enactment of this Act.

SEC. 3. As soon as practicable after the date of enactment of this Act and following the acquisition by the Secretary of an acreage within the boundaries of the area designated for inclusion in the Lakeshore which in his opinion is efficiently administrable for the purposes of this Act, he shall establish the Sleeping Bear Dunes National Lakeshore by publication of notice thereof in the Federal Register.

SEC. 4. (a) There is hereby established a Sleeping Bear Dunes National Lakeshore Advisory Commission. Said Commission shall terminate twenty-five years after the date the lakeshore is established.

(b) The Commission shall be composed of ten members, each appointed for a term of two years by the Secretary, as follows:

(1) four members to be appointed from recommendations made by the counties in which the lakeshore is situated, two members to represent each such county;

(2) four members to be appointed from recommendations made by the Governor of the State of Michigan; and

(3) two members to be designated by the Secretary.

(c) The Secretary shall designate one member to be Chairman. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(d) A member of the Commission shall serve without compensation as such. The Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this Act on vouchers signed by the Chairman.

(e) The Secretary or his designee shall consult with the Commission with respect to matters relating to the development of the lakeshore and with respect to the provisions of sections 9, 12, and 13 of this Act.

(f) Any member of the Commission appointed under this Act shall be exempted, with respect to such appointment, from the operation of sections 281, 283, 284, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5. U.S.C. 99) except as otherwise specified in subsection (g) of this section.

(g) The exemption granted by subsection (f) of this section shall not extend—

(1) to the receipt or payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment; or

(2) during the period of such appointment, and the further period of two years after the termination thereof, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter concerning which the appointee had any responsibility arising out of his appointment during the period of such appointment.

SEC. 5. In administering the lakeshore the Secretary shall permit hunting and fishing on lands and waters under his jurisdiction in accordance with the laws of Michigan. The Secretary, in consultation with the Michigan Department of Conservation, may designate zones and establish periods where and when no hunting shall be permitted for reasons of public safety, administration, or public use and enjoyment. The Secretary shall, after consultation with such Department, issue regulations, consistent with this section, as he may determine necessary to carry out the purposes of this section.

SEC. 6. (a) The administration, protection, and development of the lakeshore shall be exercised by the Secretary, subject to the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 and the following), as amended and supplemented, relating to the areas administered and supervised by the Secretary through the National Park Service; except that authority otherwise available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

(b) In the administration, protection, and development of the area, the Secretary shall prepare and implement a land and water use management plan, which shall include specific provision for—

(1) development of facilities to provide the benefits of public recreation;

(2) protection of scenic, scientific, and historic features contributing to public enjoyment; and

(3) such protection, management, and utilization of renewable natural resources as in the judgment of the Secretary is consistent with, and will further the purpose of, public recreation and protection of scenic, scientific, and historic features contributing to public enjoyment.

(c) In developing the Lakeshore the Secretary shall provide public use areas in such places and manner as he determines will not diminish the value or enjoyment for the owner or occupant of any improved property located thereon.

SEC. 7. Nothing in this Act shall be construed as prohibiting any governmental jurisdiction in the State of Michigan from assessing taxes upon any interest in real estate retained under the provisions of section 10 of this Act to the owner of such interest.

SEC. 8. (a) The Secretary is authorized, subject to the provisions of sections 9 and 13 including the limitations on condemnation of this Act, to acquire by donation, purchase with donated or appropriated funds, condemnation, transfer from any Federal agency, exchange, or otherwise, the land, waters, and other property, and improvements thereon, and any interests therein comprising the area depicted on such map.

(b) In exercising his authority to acquire property under this Act, the Secretary shall give immediate and careful consideration to any offer made by an individual owning property within the lakeshore to sell such property to the Secretary. In considering any such offer, the Secretary shall take into consideration any hardship to the owner which might result from any undue delay in acquiring his property.

(c) Any property or interests therein, owned by the State of Michigan, or any political subdivisions thereof, may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within such area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of this Act.

(d) The Secretary shall make every reasonable effort to acquire property through negotiation and purchase. Where agreement is not reached and condemnation proceedings are filed, the owner of such property shall be paid the fair market value thereof as determined in said judicial process.

(e) In any case where the owner and the United States agree, the power of condemnation may, notwithstanding any other provisions of this Act, be used as a means of acquiring a clear and marketable title, free of any and all encumbrances.

(f) In exercising his authority to acquire property by exchange, the Secretary may accept title to non-Federal property located within the area designated for inclusion and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within such area. Properties so exchanged shall be approximately equal in value: *Provided*, That the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged. The Secretary shall report to the Congress on every exchange carried out under the authority of this Act within thirty days from its consummation, and each such report shall include a statement of the value of the properties involved and of any case in which equalization payments are made or received.

SEC. 9. (a) The Secretary shall, at the request of any township or county affected by this Act, assist and consult with the appropriate officers and employees of such township or county in establishing zoning bylaws for the purposes of this Act.

(b) The Secretary's authority to acquire property by condemnation shall be suspended with respect to all property situated within an inland lakeshore residential area and all improved property located within the area designated for inclusion in the lakeshore for one year following the date of enactment of this Act. Thereafter such authority shall be suspended with respect to such property during all times when the affected counties or townships have in force and applicable to such property a duly adopted, valid zoning bylaw approved by the Secretary in accordance with the provisions of subsection (d) of this section. Such authority shall also be suspended with respect to any such property, notwithstanding the fact that the county or township in which it is situated does not have in effect and applicable thereto a duly adopted, valid zoning bylaw so approved, if the owner thereof donates to the Secretary a mutually protective scenic easement covering its future development, approved by him in accordance with the provisions of subsection (e) of this section.

(c) The Secretary may terminate the suspension of his authority to condemn such property referred to in subsection (b) covered by a zoning bylaw, amendment, or easement if such property becomes the subject of a variance, exception or use which fails to conform substantially or is substantially inconsistent with any such zoning bylaw, amendment, or easement. Notice in writing stating the basis for the Secretary's intention to exercise his power of termination must be given the owner sixty days prior to any exercise of this power. Discontinuance of the variance, exception or use shall reinstate the suspension of the Secretary's authority to condemn. Willful, continued or repetitive abuse of the sixty-day period of notice involving the same improved property shall relieve the Secretary of the responsibility of giving further sixty days notice in terminating the suspension of his authority to condemn such property.

(d) Any zoning bylaw or amendment thereto submitted to the Secretary for approval for the purposes of this Act shall be approved, except as otherwise provided in subsection (f) of this section, by him if such bylaw or amendment contains provisions which substantially contribute to the effect of (1) prohibiting the commercial and industrial use (other than a use for a commercial purpose as authorized under section 14 of this Act) of all property within the boundaries of such area which is situated within the county or township adopting such bylaw or amendment; and (2) promoting the preservation and development, in accordance with the purposes of this Act, of such area comprising the lakeshore by means of acreage, frontage, and setback requirements. Such approval shall not be withdrawn or revoked for so long as such bylaw or amendment remains in effect as approved.

(e) Any easement submitted to the Secretary for approval for the purposes of this section shall be approved by him if the instrument conveying such easement contains provisions which are no more stringent than those which would have been necessary for approval of a valid zoning bylaw covering such property in accordance with subsection (d).

(f) No zoning bylaw or amendment shall be approved by the Secretary under this Act which (1) contains any provision which he may consider adverse to the preservation and the development, in accordance with the purposes of this Act, of such area, or (2) fails to have the effect of providing that the Secretary shall receive notice of any variance granted under and any exception made to the application of such bylaw or amendment.

SEC. 10. (a) Any owner or owners of property situated within an inland lakeshore residential area or of improved property located within the area designated for inclusion in the lakeshore on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain, for a term of not to exceed twenty-five years, or for a term ending at the death of such owner or owners, the right of use and occupancy of such property for any residential purpose which is not incompatible with the purposes of this Act or which does not impair the usefulness and attractiveness of the area designated for inclusion. The Secretary shall pay to the owner the value of the property on the date of such acquisition, less the value on such date of the right retained by the owner. Where any such owner retains a right of use and occupancy as herein provided, such right during its existance may be conveyed or leased for noncommercial residential purposes in accordance with the provisions of this section.

(b) Any deed or other instrument used to transfer title to property, with respect to which a right of use and occupancy is retained under this section, shall provide that such property shall not be used for any purpose which is incompatible with purposes of this Act, or which impairs the usefulness and attractiveness of such area and if it should be so used, the Secretary shall have authority to terminate such right. In the event the Secretary exercises his power of termination under this subsection he shall pay to the owner of the right terminated an amount equal to the value of that portion of such right which remained unexpired on the date of such termination.

SEC. 11. As used in this Act, the term "improved property" means a detached, one family dwelling, construction of which was begun before July 1, 1961, together with so much of the land on which the dwelling is situated, such land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the lands so designated. The amount of the land so designated shall in every case be at least three acres in area, or all of such lesser acreage as may be held in the same ownership as the dwelling, and in making such designation the Secretary shall take into account the manner of noncommercial residential use in which the dwelling and land have customarily been enjoyed: *Provided, however,* That the Secretary may exclude from the land so designated any beach or waters on Lake Michigan, together with so much of the land adjoining any such beach or waters, as the Secretary may deem necessary for public access thereto. If the Secretary makes such exclusion, an appropriate buffer zone shall be provided between any residence and the public access or beach.

SEC. 12. (a) As used in this Act, the term "inland lakeshore residential area" means in part the following described areas together with adjacent waters:

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 1

Beginning at the point of intersection of the east line of section 36, township 27 north, range 15 west with the south shore of Little Platte Lake, thence south to the northeast corner of section 1, township 26 north, range 15 west thence west along the north line of section 1 to the point of intersection with the east one-sixteenth longitudinal line of section 1, thence south along the east one-sixteenth longitudinal line to its point of intersection with the east right-of-way of Deadstream Road, thence southeasterly along the east right-of-way of Deadstream Road a distance of one-quarter mile, then due west to the shore of Platte Lake, thence northwesterly along the shore of Platte Lake to its point of intersection with the east one-sixteenth longitudinal line of section 27, township 27 north, range 15 west, thence continuing westerly along the shore of Platte Lake a distance of 300 feet, thence north to the south right-of-way of Michigan Highway 22, thence easterly along the south right-of-way of Michigan Highway 22 to a point of intersection with the east right-of-way with Deadstream Road, thence continuing easterly along the south right-of-way of Michigan Highway 22 for 250 feet, thence continuing south and southeasterly along a line 250 feet distance from and parallel to the east right-of-way of Deadstream Road until said line intersects the west line of section 27, township 27 north, range 15 west, thence south to the east right-of-way of Deadstream Road, thence continuing southeasterly along the east right-of-way of Deadstream Road to a point on the east right-of-way of Deadstream Road which point is northwesterly 1,600 feet along the east right-of-way of Deadstream Road from the point of intersection of the east right-of-way of Deadstream Road and the east line of section 35, township 27 north, range 15 west, thence north 25 degrees east to the south shore of Little Platte Lake, thence southeasterly along the south shore of Little Platte Lake to point of beginning.

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 2

Beginning at a point on the south line of section 34, township 27 north, range 15 west, which point is 660 feet east of the southwest corner of section 34, thence east 1,056 feet, thence north to shore of Platte Lake, thence southeasterly along the shore of Platte Lake, to its point of intersection with the north line of section 12, township 27 north, range 15 west, thence west along the north line of section 12 to the northeast corner of the northwest quarter, northwest quarter, section 12, thence south a distance of 1,320 feet more or less to south right-of-way of a public highway, thence westerly along the south right-of-way of said public highway to the east line of section 11, township 26 north, range 15 west, thence south on east line of section 11 to the northeast corner, southeast quarter southeast quarter northeast quarter, section 11, thence west 660 feet, thence north 660 feet, thence west 660 feet, thence north to a point 300 feet south of north line of section 11, thence west to the west line of section 11, thence north 300 feet more or less to the south right-of-way of a public highway, thence northwesterly along the south right-of-way of said public highway to its point of intersection with the east-west quarter line of section 3, township 26 north, range 15 west, thence west along the east-west quarter line to a point 660 feet east of the northwest corner northwest quarter southwest quarter, section 3, thence north to point of beginning.

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 3

Beginning at a point on the east line of section 33, township 27 north, range 15 west, which point is 1,056 feet north of the southeast corner of section 33, thence west 330 feet more or less to the north right-of-way of a public highway, thence west along the north right-of-way of said public highway to its point of intersection with the east sixteenth longitudinal line of section 33, thence north to the northeast corner of the northwest quarter southeast quarter of section 33, thence east to the shore of Platte Lake, thence southeasterly along the shore of Platte Lake to its point of intersection with the east line of section 33, thence south along the east line of section 33 to point of beginning.

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 4

Beginning at the point of intersection of the west line of section 27, township 27 north, range 15 west with the south right-of-way of Michigan Highway 22, thence northeasterly along the south right-of-way of Michigan Highway 22 to its point of intersection with the west sixteenth longitudinal line of section 27, thence south along the west sixteenth longitudinal line to the southwest corner, northeast quarter southwest quarter of section 27, thence east 500 feet, thence south to the north shore of Platte Lake, thence southwesterly along the shore of Platte Lake to its point of intersection with the north sixteenth latitudinal line of section 33, township 27 north, range 15 west, thence west 200 feet along the north sixteenth latitudinal line of section 33, thence north to the line of section 33, thence east to the southwest corner of section 27, township 27 north, range 15 west, thence north along the west line of section 27 to point of beginning.

LITTLE TRAVERSE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 1

Beginning at the point of intersection of the north shore of Little Traverse Lake with the north-south quarter section line of section 10, township 29 north, range 13 west, thence north along the north-south quarter section line a distance of 260 feet, more or less, to the north right-of-way of a public road encircling the north shore of Little Traverse Lake, thence easterly along the north right-of-way of said public road to point where it intersects the north-south quarter section line of section 12, township 29 north, range 13 west, thence west to the shore of Little Traverse Lake, thence westerly along the north shore of Little Traverse Lake to point of beginning.

LITTLE TRAVERSE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 2

Beginning at the point of intersection of the south shore of Little Traverse Lake with the east line of section 14, township 29 north, range 13 west, thence south along the east line of section 14 to its intersection with the south right-of-way of Michigan Highway 22, thence westerly along the south right-of-way of Michigan Highway 22 to its point of intersection with the north-south quarter section line of section line of section 14, thence south on the north-south quarter section line to its intersection with the east-west quarter section line, thence west on the east-west quarter section line to the west line of section 14, thence north on the west line of section 14 to the south shore of Little Traverse Lake, thence easterly along the shore of Little Traverse Lake to point of beginning.

GLEN LAKE INLAND LAKESHORE RESIDENTIAL AREA

Section 31, Township 29 North, Range 13 West

Beginning at the intersection of the south line of section 31 with the east right-of-way of County Highway 616, thence northerly along east right-of-way of County Highway 616 to the point of intersection with the west line of the southeast quarter of fractional northwest quarter, thence due north 880 feet more or less along the west sixteenth longitudinal line to the south right-of-way of a road running northeasterly across the northeast quarter of fractional northwest quarter, thence along south right-of-way to a point 100 feet west of the north-south quarter section line, thence north to the north line of section 31, thence west along the north section line, section 31 to point of intersection with the east right-of-way of County Highway 616.

Section 30, Township 29 North, Range 13 West

Thence along the east right-of-way of County Highway 616 across the extreme southwest corner of section 30, township 29 north, range 13 west.

Section 36, Township 29 North, Range 14 West

Thence continuing along east right-of-way of County Highway 616 across the extreme northeast corner of fractional section 36.

Section 25, Township 29 North, Range 14 West

Thence northerly along the east right-of-way of County Highway 616 to the north line of section 25.

Section 24, Township 29 North, Range 14 West

Thence continuing northwesterly along the east right-of-way of County Highway 616 to the projected intersection of the west right-of-way of a north-south county road in the northwest quarter southwest quarter of section 25, thence southerly along the north-south county road to the south line of section 24.

Section 25, Township 29 North, Range 14 West

Thence south along the east right-of-way of said county road 1,110 feet more or less to intersection with an east-west county road, thence westerly along the north right-of-way of the east-west county road to the west line of section 25, township 29 north, range 14 west.

Section 26, Township 29 North, Range 14 West

Thence continuing westerly along the north right-of-way of said county road from the east line of section 26 to a point where

the north right-of-way intersects the north line Government lot 3 to section 26, township 29 north, range 14 west, thence west along north line of Government lot 3 to the west line of section 26, township 29 north, range 14 west.

Section 27, Township 29 North, Range 14 West

Thence west along the north line of Government lot 1 to the northwest corner of Government lot 1, thence south on the west line of lot 1 to the south right-of-way of Lake Street, thence south along the south right-of-way of Lake Street to the intersection of a north-south county road, thence southwesterly along the west right-of-way of said county road to its intersection with Michigan Highway 22, thence across M22 to the west right-of-way, thence southwesterly along the west right-of-way of M22 to the south line of section 27, township 29 north, range 14 west.

Section 34, Township 29 North, Range 14 West

Thence west along the north line of section 34 to a point which is 400 feet west of the northeast corner of Government lot 1, section 34, township 29 north, range 14 west, thence south 200 feet, thence west 430 feet, thence south 805 feet, thence west 485 feet more or less to the west line of Government lot 1, thence south on the west line of Government lot 1 to the southwest corner Government lot 1, thence east 144 feet more or less to a point 661.49 west of the northeast corner of Government lot 2, section 55, township 29 north, range 14 west.

Thence south 8 degrees 45 minutes west 131.9 feet, thence north 81 degrees 02 minutes west 335.0 feet, thence south 8 degrees 45 minutes west 100 feet, thence south 30 degrees 37 minutes west 149 feet, thence south 89 degrees 38 minutes west 225.0 feet, thence south 18 degrees 13 minutes west 235 feet, thence north 71 degrees 30 minutes west 45 feet, thence south 18 degrees 30 minutes west 450 feet, thence south 71 degrees 30 minutes east 400 feet, thence south to the south line Government lot 2, thence east on the south line of Government lot 2 to a point 418.35 feet east of Glen Lake on the south line of Government lot 2.

Thence south 15 degrees 43 minutes west 100 feet, thence west 50 feet, thence south 2 degrees 59 minutes west 1,100.12 feet, thence west 43.1 feet, thence south 200 feet, thence west 50 feet, thence south 775 feet, thence west 225 feet, thence south 434 feet to the south line of section 34 township 29 north, range 14 west, thence east along the south line of section 34 to the west right-of-way of Michigan Highway 22.

Section 3, Township 28 North, Range 14 West

Thence south 24 degrees 36 minutes west to a point on the west right-of-way of M22 directly opposite a point on the centerline of M22 which is south 24 degrees 36 minutes west 387.4 feet from the north line of section 3, thence north 65 degrees west to a point which is 228.27 feet from the centerline of M22, thence south 25 degrees west 100 feet, thence south 65 degrees east 46.17 feet, thence south 25 degrees west 225 feet, thence north 65 degrees west 400 feet, thence south 27 degrees 15 minutes west 130 feet more or less to the north right-of-way of a public road listed as Forest Glen Road. Thence northwesterly along the north right-of-way of public road to the west line of section 3, township 28 north, range 14 west, thence south along west line of section 3 to the south right-of-way of said public road.

Section 4, Township 28 North, Range 14 West, and Section 33, Township 29 North, Range 14 West

Thence north 61 degrees 39 minutes west 186 feet along south right-of-way of said public road, thence south 16 degrees 28 minutes west 351.77 feet to the shore of Glen Lake, thence north 67 degrees 41 minutes west 200 feet, thence north 63 degrees 10 minutes west 160.48 feet, thence north 50 degrees 39 minutes west 39.52 feet, thence north 38 degrees 00 minute east 367.16 feet to south right-of-way of public road, thence northwesterly along the south right-of-way of said public road to the west line of section 32.

Section 32, Township 29 North, Range 14 West

Thence continuing northwesterly along the south right-of-way of said public road to the north line of section 32, thence west along the north line of section 32 to the shore of Glen Lake.

Section 29, Township 29 North, Range 14 West

Thence continuing northwesterly along the shore of Glen Lake from the intersection of the shore of Glen Lake with the south line of section 29, township 29 north, range 14 west, to a point of intersection of the shore of Glen Lake with the east line of Government lot 2, thence north along the east line of Government lot 2 to the south sixteenth latitudinal line, thence west along the south sixteenth latitudinal line to its intersection with the west line of Government lot 2, section 29, township 29 north, range 14 west, thence south on the west line of Government lot 2 to the shore of Glen Lake.

Thence westerly and southerly along the shore of Glen Lake to a point 664.77 feet east and 1,308.75 feet north of the southwest corner of Government lot 1, section 29, township 29 north, range 14 west, thence north 89 degrees 39 minutes west 236.33 feet to the east right-of-way of Michigan Highway 109, thence southerly along the east right-of-way to a stake on the east right-of-way of M109 located north 345.5 feet and north 89 degrees 12 minutes east 1,190 feet from the northwest corner of Government lot 1, section 31, township 29 north, range 14 west.

Thence from stake on east right-of-way of M109 north 89 degrees 12 minutes east 229.5 feet, thence south 18 degrees 03 minutes west 400.0 feet.

Section 31, Township 29 North, Range 14 West

Thence south 89 degrees 12 minutes west 1,242.0 feet to the west line of Government lot 1, section 31, township 29 north, range 14 west, thence south along the west lines of Government lots 1, 2, and 3, section 31, to the southwest corner of Government lot 3, thence east on south line of Government lot 3 to the west right-of-way of M109 thence southeasterly along the west right-of-way to its intersection with the east line of section 31, township 29 north, range 14 west, thence north along east line of section 31 to the shore of Glen Lake.

Section 32, Township 29 North, Range 14 West

Thence from the intersection of the south shore of Glen Lake with the west line of section 32, township 29 north, range 14 west, southeasterly along the shore of Glen Lake to intersection with the south line of section 32.

Section 5, Township 28 North, Range 14 West

Thence from the intersection of the north line of section 5, township 28 north, range 14 west, and the south shore of Glen Lake southeasterly along the shore of Glen Lake to its intersection with the east line of section 5, township 28 north, range 14 west.

Section 4, Township 28 North, Range 14 West

Thence from the point of intersection of the shore of Glen Lake with the west line of section 4, township 28 north, range 14 west, south on the west line of section 4 to the south right-of-way of a public road lying on the south line of Government lot 5, thence east along south right-of-way of said public road to its intersection with Michigan Highway 22, thence east across M22 to the south right-of-way, thence northeasterly along M22 to a point 476.5 feet west and 1,519.0 feet north of the southeast corner of the southeast quarter of the southwest quarter of section 4, thence south 400 feet, thence east 476.5 feet, thence north on the east line of the southeast quarter southwest quarter, section 4, to a point of intersection with the south sixteenth latitudinal line, thence east on the south sixteenth latitudinal line to a point on the west boundary of a cemetery which point is north 89 degrees west 222.75 feet from the intersection of the south sixteenth latitudinal line with the east line of section 4, thence south to the southwest corner of said cemetery, thence south 89 degrees east 222.75 feet to the west line of section 4, thence continuing east on the same bearing 33 feet more or less to east right-of-way of a public highway.

Section 3, Township 28 North, Range 14 West

Thence north to a point 554.2 feet south and 33 feet east of the meander corner at the north end of the west line of section 3, township 28 north, range 14 west, thence east 233.0 feet, thence north 374.14 feet to centerline of a public highway, thence south 69 degress 55 minutes east 49.01 feet, thence north 0 degree 47 minutes west 11.3 feet, thence east to north right-of-way of said public highway, thence southeasterly along north right-of-way of said highway to its intersection with the south right-of-way of a private road listed on the plot of McFarlane Woods numbered 2 as Beech Tree Road, then southeasterly along the south right-of-way of Beech Tree Road to the northeast corner of lot numbered 14 of McFarlane Woods numbered 2, thence north 37 degrees 24 minutes east to the shore of Glen Lake, thence southeasterly along the shore of Glen Lake the intersection of the shore of Glen Lake with the south line of section 3, township 28 north, range 14 west.

Section 10, Township 28 North, Range 14 West

Thence from the intersection of the shore of Glen Lake with the north line of section 10, township 28 north, range 14 west, and continuing southeasterly along the shore of Glen Lake to the east line of section 10.

Section 11, Township 28 North, Range 14 West

Thence continuing from the intersection of the shore of Glen Lake with the west line of section 11, township 28 north, range 14 west, southeasterly along the shore of Glen Lake south 54 degrees 28 minutes east 525.6 feet, thence south 66 degrees 33 minutes east 900 feet, thence south to the north line of the southeast quarter southwest quarter, thence east to the northeast corner of the southeast quarter southwest quarter, thence north along the west line of the northwest quarter southeast quarter 726.0 feet, thence east 538.56 feet to centerline of highway, thence east to a point 626.0 feet west of the east line of section 11, township 28 north, range 14 west, thence north 544.5 feet more or less to south right-of-way of County Road 616, thence east along highway to the east line of section 11.

Section 12, Township 28 North, Range 14 West

Thence continuing east from the west line of section 12, township 28 north, range 14 west along the south right-of-way of County Road 616 to a point where the south right-of-way intersects the east-west quarter section line, thence continuing east to a point 2,090.0 feet east of northwest corner of the northwest quarter southwest quarter, thence north 5 degrees 02 minutes west to the south right-of-way of County Road 616, thence northeasterly along the south right-of-way

of County Road 616 to a point where the south right-of-way bears north 11 degrees 22 minutes west, thence northerly along the east right-of-way of County Road 616 to the southwest corner of the village of Burdickville, thence north 52 degrees east along the south boundary of the village of Burdickville to the west right-of-way of Division Street, thence south 51 degrees east 22.0 feet, thence south 9 degrees west 244 feet, thence south 81 degrees east 165 feet, thence south 9 degrees west 20 feet, thence south 81 degrees east 148.5 feet, thence north 9 degrees east 264.0 feet to the south right-of-way of a public road, thence north 81 degrees west 148.5 feet along south right-of-way of said public road, thence northerly to a point on the north right-of-way directly opposite the point on the south right-of-way, thence north 112 feet to a point which is 257.7 feet east of the east right-of-way of Division Street on the north line of section 12, township 28 north, range 14 west.

Section 1, Township 28 North, Range 14 West

Thence beginning at a point 380.08 feet west of the southeast corner of Government lot 2, section 1, township 28 north, range 14 west, thence north 13.13 feet, thence north 42 degrees 35 minutes west to the south right-of-way of County Road 616, thence northeasterly along the south right-of-way of County Road 616 to its intersection with lot numbered 18 of "Billmans Pioneer Park", thence south 117.5 feet, thence continuing northeasterly along the south lines of lots numbered 18 to numbered 1 of "Billmans Pioneer Park" to a point of intersection with the east line of Government lot 2, section 1, township 28 north, range 14 west.

Section 6, Township 28 North, Range 13 West

Thence north 48 degrees east 110 feet, thence north 42 degrees west 115 feet, to west line of section 6, thence north along west section line to the east right-of-way of County Highway 616, thence northeasterly along County Highway 616 to the north line of section 6, township 28 north, range 13 west, and point of beginning.

(b) In addition to the areas described in subsection (a), additional acreage may be designated for inclusion in inland lakeshore residential areas, except that the total combined acreage of all inland lakeshore residential areas shall not exceed, in the aggregate, 3,500 acres. This additional acreage shall be in close proximity to the shorelines of the inland lakes, or the areas described in subsection (a), but in no event shall any additional acreage be added under this subsection if the effect of such addition would be to include substantially the entire shoreline of an inland lake within an inland lake residential area. This designation shall be made by the Secretary only upon recommendation and after consultation with the Lakeshore Advisory Commission.

(c) No new public use or access areas shall be opened or developed in the inland lakeshore residential areas by the Secretary for a period of twenty-five years from the establishment of the lakeshore.

SEC. 13. In any case, not otherwise provided for in this Act, the Secretary's authority to condemn shall be suspended with regard to commercial property used for commercial purposes in existence on July 1, 1961, so long as the use thereof would further the purposes of this Act, and such use does not impair the usefulness and attractiveness of the area designated for inclusion in the lakeshore. The following uses, among others, shall be considered to be uses compatible with the purposes of this Act: Commercial farms, orchards, motels, rental cottages, camps, craft and art studios, marinas, and Christmas tree farms.

SEC. 14. The Secretary shall furnish to any interested person requesting the same, a certificate indicating, with respect to any property located within the area designated for inclusion as to which the Secretary's authority to acquire such property by condemnation has been suspended in accordance with provisions of this Act, that such authority has been so suspended and the reasons therefor.

SEC. 15. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The questions and answers and summary presented by Mr. HART are as follows:

QUESTIONS AND ANSWERS ON SLEEPING BEAR DUNES NATIONAL LAKESHORE PROPOSAL

Isn't there too much land in public ownership in Michigan already?

The real question is, how much land suitable for recreation does Michigan have in public ownership? Land-use experts tell us, on the basis of a recent inventory, that we have in public ownership and suitable for recreation approximately 367,000 acres, or just over 1 percent of the State's total area of 36.5 million acres.

While the vast blocks of green which represent State and National forests on our highway maps suggest that enormous areas are publicly owned contiguously, the platbooks show instead that the actual public holdings within these widespread boundaries are very checkered, with numerous blocks of private holdings interspersed. And it is generally the best pieces which are privately owned, since most of the public ownership came through tax reversion and relatively few really choice recreation spots were allowed to revert.

Isn't 77,000 acres too much?

There is no magic in any specific number of acres. What needs to be done is to set aside an area of sufficient size to incorporate the nationally unique scenic and scientific features to be found at Sleeping Bear. These include the Empire Dunes, the Platte Plains, South Manitou Island, and the closely associated inland lakes. This can be done without condemning any existing homes or towns. Precise boundaries will be set by the Congress after testimony from all interested groups and individuals.

The new proposal is based on the principle that public recreation and the development and preservation of the lakeshore area is compatible with the protection of continued existing private residential and commercial uses within the area. The new concept of inland lakeshore residential areas is proposed to limit somewhat the land area that would be available for public development and involuntary taking.

Every study and analysis of our increasing population's use of outdoor recreation facilities in the years ahead indicates that areas such as Sleeping Bear Dunes will be intensively used. Too small an area would bring not only overly intensive public use of key beauty spots all seek to preserve, but also could well mean intensive commercial and residential development up to the boundary lines of a small lakeshore.

Isn't Sleeping Bear too far from population centers to be a good choice?

Twenty million people and every principal city in the neighboring States of Ohio, Indiana, Illinois, and Wisconsin are within an easy day's drive of northern Michigan. The Detroit metropolitan area is 5 hours away, Grand Rapids, 4.3 hours, and Monroe, 5.6 hours.

We have in the North Central States 25 percent of the Nation's land, 29 percent of the population, but only 14 percent of the public recreation area—local, State, or Federal.

The Outdoor Recreation Resources Review Commission's 1962 report, under the chairmanship of Laurance Rockefeller, stated in its first finding: "Driving and walking for pleasure, swimming, and picnicking lead the list of the outdoor activities in which Americans participate, and driving for pleasure is most popular of all."

Wouldn't it be preferable for the State of Michigan to expand the existing State parks, with the help of Federal matching funds?

If the so-called "save our shorelines" bill (S. 543) is passed by the Congress, Michigan would receive its share of $25 million of Federal funds, designed to help the 50 States preserve remaining stretches of shoreline. These Federal funds must be matched by the State on a 50–50 basis.

The survey of the Nation's shoreline that pinpointed Sleeping Bear Dunes, Pictured Rocks, and Huron Mountains as being of national significance and entitled to be included in the National Park System, identified 37 other stretches of Michigan shoreline of lesser magnitude and many of them closer to population centers, which were recommended for State and local acquisition. S. 543 is designed to help Michigan save areas such as these before they are destroyed for recreation purposes.

If S. 543 money is used for Sleeping Bear, it will not be available for use in the rest of Michigan and it will not permit acquisition and maintenance in this area of a lakeshore sufficiently prominent to attract tourists from all over the Nation.

What about the homeowners? Are they going to be driven out?

It is not the purpose of the bill to obtain existing homes and cottages within the proposed lakeshore area. The new bill, by removing the power of condemnation if local governments zone private property or individual homeowners grant scenic easements, sets forth a plan by which public development can proceed along with continued private residential ownership. A particularly important new feature is the establishment of inland lakeshore residential areas where residential development under zoning could continue and the power of condemnation would be suspended over all property.

In addition, the new bill has incorporated many safeguards to protect the rights of property owners and to assure them a minimum of changing conditions from the beauty they are presently enjoying.

What about the local tax rolls?

It is a matter of record that national parks have resulted in improved economic conditions for surrounding communities.

If the proposed lakeshore area were established, accommodations for tourists—hotels, restaurants, motels, service stations, food stores, and a multitude of other service establishments would develop outside the area, providing investment opportunities and local employment. It is estimated that some 1,200,000 visitors would spend nearly $11 million annually in the immediate vicinity. About 25 percent of this amount, some $2,700,000 would probably remain in the area as wages and profits; at the average rate of Michigan's manufacturing payrolls and salaries, the equivalent of over 500 manufacturing jobs. Stated in another way, $11 million expenditures for recreation is equivalent to the output value of over 10 average sized Michigan manufacturing establishments.

This increased economic activity, plus the fact that all existing homes not voluntarily offered for sale would remain on the local tax rolls, should result in a sharp increase in total assessed valuation in the counties and school districts involved.

Isn't this going to cost too much?

It is estimated that under the new Hart-McNamara bill $21.5 million would be spent in Michigan by the Federal Government over a 25-year period in land acquisition, capital improvements (scenic drives, etc.) and operation.

Of the roughly estimated $17 million of total property value within the proposed boundaries, approximately $3 million represents the estimated valuation of undevel-

oped land. The remaining $14 million worth of property is mostly homes and cottages which are not intended to be acquired under the new proposal unless voluntarily offered for sale to the Government. In many instances, of course, these may never be sold for incorporation into the lakeshore, but remain in private ownership in perpetuity.

Whether the taxpayer's money should be spent for preserving a portion of our heritage for future generations to enjoy, each man must answer for himself. We know that without action by Government, the choice areas are soon acquired for private use or commercial development.

The Congress of the United States, in establishing the Outdoor Recreation Resources Review Commission, declared that it was in the public interest "to preserve, develop, and assure accessibility to all American people of present and future generations such quality and quantity of outdoor recreation resources as will be necessary and desirable for individual enjoyment and to assure the spiritual, cultural, and physical benefits that such outdoor recreation provides" (Public Law 85-470).

SUMMARY OF PROVISIONS OF NEW SLEEPING BEAR DUNES BILL (S. 3528)

PREAMBLE

The purpose of this bill is to propose to Congress the preservation of portions of the Michigan Sleeping Bear shoreline and related areas for the benefit and enjoyment of present and future generations. A key feature in this legislation is its recognition that existing residential and many commercial uses can continue to exist in private ownership and be compatible with the public development of the lakeshore. This is made an explicit purpose of the bill, reflecting the suggestions of many local groups and individuals.

Federal, State and local governments all are to be involved in the planning and management of the land and water resources within the boundaries.

SECTION 2

Seventy-seven thousand acres of land and water on the Lake Michigan shore, including South Manitou Island, are designated as the area within which the Sleeping Bear Dunes National Lakeshore is to be developed.

SECTION 3

Within the boundaries established by section 2, the Secretary of the Interior is directed to establish the Sleeping Bear Dunes National Lakeshore when he determines that sufficient acreage has been acquired for efficient administration as a national lakeshore.

SECTION 4

This section provides for a Lakeshore Advisory Commission to serve and consult with the Secretary of the Interior for a period of 25 years. Four members would be appointed from nominations made by Benzie and Leelanau Counties, four from recommendations by the Governor of the State of Michigan, and two would represent the Secretary of the Interior. The Secretary of the Interior is directed to consult with the Commission in developing the plans for the lakeshore. He is to consult with the Commission particularly on the problems of local zoning ordinances, the delineation of the inland lakeshore residential areas, and commercial activities permitted within the lakeshore.

SECTION 5

This section makes possible the continuation of hunting and fishing on the lands and waters within the lakeshore under the laws of the State of Michigan. The Secretary would work with the Michigan Department of Conservation in designating zones and times when no hunting would be permitted because of public safety or intensive recreation use of an area. This section assures the continuing reliance upon the State conservation department to set overall policies protecting hunting and fishing activities. The language of this section has been based on the recommendations of the Michigan United Conservation Clubs, the Michigan Conservation Department, and the Michigan Bear Hunters Association.

SECTION 6

This section sets out in general terms the manner in which the Sleeping Bear Dunes National Lakeshore would be developed and administered. It provides for the same high standards maintained in other national parks and lakeshore areas. In addition, the Secretary would be directed to develop a land- and water-use management plan which would recognize the importance of protecting and managing the renewable natural resources within the area. This is particularly important in terms of management of the timber for wildlife purposes. Numerous conservation groups and the State conservation commission have underlined the importance of this new language.

In developing the recreation and public use areas, the Secretary is directed to protect the property values and the privacy of private home and cottage owners located within the lakeshore. This is a key feature in the new bill's policy, recognizing that private ownership within the lakeshore is compatible with the development of public recreation and preservation of scenic values. The Michigan Parks Association was helpful in evolving this new concept as well as other language of the new bill.

SECTION 7

Until private property is transferred to the Secretary, of course, it remains on the tax rolls. If advantage is taken of the provision for 25-year estate (sec. 10), section 7 authorizes the property to be taxed for local purposes.

This provision has been included because of the expressed desire of local school and county officials to minimize the tax loss in the period when undeveloped land would be acquired and before new development, brought into the counties as a result of the lakeshore, would raise the overall property evaluation throughout the area.

SECTION 8

This section gives the Secretary of the Interior authority to acquire property for this lakeshore and spells out the limitations which Congress would set on the Secretary's authority to acquire property.

Lands owned by the State of Michigan or by the counties could be acquired only with the consent of the State or counties. Authority to acquire by condemnation would be expressly limited as explained later in sections 9 and 13. Because of concern expressed by individual property owners at the public hearing on the earlier bill, as well as suggestions made by counsel for the Sleeping Bear Dunes Citizens Council, the Secretary is directed to make every reasonable effort to acquire property—which in almost every instance would be undeveloped property—through negotiation and voluntary sale. In the event that agreement over price is not reached voluntarily and the Secretary should move to acquire the property through condemnation proceedings, the bill makes it explicitly clear that the fair market value would be determined only pursuant to a court proceeding.

Individual property owner concern was also expressed at the public hearing that the Secretary should be directed to acquire property expeditiously in hardship cases where the owner was willing to sell. This has been spelled out in the new bill.

SECTION 9

One of the two key ways in which the Secretary's power to condemn property would be suspended would be through the adoption of a county or township zoning ordinance covering the property.

The Secretary at the request of a township or county is directed to consult and assist with the development of zoning bylaws. The Secretary is directed by the act to approve local bylaws if they meet specific objectives spelled out in the act. These objectives are (1) the prohibition of commercial and industrial uses, with the exception of specific commercial uses which would not be incompatible with the lakeshore development; and (2) the preservation and orderly development of the area through the usual acreage, frontage and setback requirements of local zoning ordinances.

Throughout the lakeshore, homes and cottages constructed before July 1, 1961, would be protected from condemnation if properly zoned or if under scenic easement (as provided in sec. 10). In addition, the power of condemnation is suspended over all properties—commercial, residential, and undeveloped—within the specified inland lakeshore residential areas.

If properly zoned, new construction in accordance with the zoning ordinance would be permitted within the inland lakeshore residential areas. The rewriting of the provisions of section 9 resulted from the suggestions and comments on the original bill in the testimony of the spokesmen for the Sleeping Bear Dunes Citizens Council. For example, concern was expressed over possible arbitrary change in zoning standards by the Secretary of the Interior; township zoning, as well as county zoning, has been included; and provision has been made for orderly new residential development in areas where such development has already taken place along the lakeshore of the inland lakes.

In the event that homes and residential property throughout the lakeshore or the inland lakeshore residential areas were not zoned or at some future time zoning ordinances adopted were declared invalid or were repealed, provision is made whereby the individual property owner by granting a mutually protective scenic easement over his property can suspend the power of the Secretary to condemn his property. This is a "safety valve" to underline the overall intent of the bill; namely, that with minimum guarantees against unsightly uses of undesirable commercial uses, private ownership of improved property can continue in perpetuity within the lakeshore.

This is a new feature and one designed to give the fullest possible protection to the private owner.

Neither the zoning bylaws nor the easement would be retroactive.

SECTION 10

This section is of importance to homeowners interested in voluntary sale of their property to the Government but desiring to retain the use of their home for their lifetime or a period of up to 25 years. The Secretary would pay cash to the owner based upon an agreed-upon price, less an amount representing the value of the years of use which the property owner would retain.

SECTION 11

In all of those portions of the lakeshore other than the special inland lakeshore residential areas, the term "improved property" has special significance in the bill since its definition sets forth the type of property over which the Secretary's power of condemnation is suspended by provisions for zoning or scenic easements. "Improved property" means a one-family dwelling on which construction was begun prior to July 1, 1961, and adjacent land owned by the same owner considered reasonably necessary for the enjoyment of the home. The homeowner would be guaranteed up to 3 acres adjacent to his home.

The only exception involves homes fronting on Lake Michigan. In these instances land which the Secretary might require for public access to Lake Michigan adjacent to the home could be condemned. Proper buffer zones would be maintained. This exception does not apply to lakeshore frontage on the inland lakes, a point not satisfactorily established in the original bill.

SECTION 12

Here is set forth the description of the various inland lakeshore residential areas on Platte Lake, Little Traverse Lake, and Glen Lake. In addition to these described areas, which amount to approximately 2,700 acres of land, provision is made whereby the Lakeshore Advisory Commission may add to these inland lakeshore residential areas to increase them so that their total acreage would be not more than 3,500 acres. This flexibility is designed to provide room for adjustment of boundaries and hardship cases.

The idea of establishing special inland lakeshore residential areas came from the very clear indication that there were special problems involving the more intensively developed shorelines of the several inland lakes. Concern was expressed that acreage would be acquired by the Government adjacent to existing homes, and that property owners would be "picked off one by one." In addition, a number of individuals owned undeveloped lots and intended to build cottages and homes on the shorelines of the inland lakes, where residential development was already fairly intense. To meet these and other problems, the concept of inland lakeshore residential areas is being proposed in the new bill. If adequately zoned or if individual property owners grant scenic easements, the power to acquire property by condemnation would be suspended over all property within these areas.

New construction conforming to easement or zoning requirements could proceed on the undeveloped property within an inland lakeshore residential area.

The Secretary of the Interior would be prohibited from developing any additional public use or public access areas within the inland lakeshore residential areas for a period of 25 years after the establishment of the lakeshore. The Secretary could acquire land offered voluntarily for sale but could not develop such land for public use during the first 25 years.

SECTIONS 13 AND 14

It is the intention that commercial uses not incompatible with the overall purpose of the lakeshore could continue. The Secretary's power to condemn such properties built prior to July 1, 1961, would be suspended by section 13. Under section 14 the Secretary is directed to issue a certificate indicating that his authority to acquire such commercial property by condemnation has been suspended.

The specific uses recognized by the act as compatible include commercial farms, orchards, motels, rental cottages, camps, craft and art studios, marinas, and Christmas tree farms. Other uses might also be considered compatible.

It is expected that orderly expansion and repair and development of these recognized compatible commercial uses would be permitted both within the inland lakeshore residential areas under the zoning ordinances and in the remaining parts of the lakeshore under agreement with the Secretary of the Interior as part of the issuance of his certificate indicating a suspension of condemnation of the commercial property.

SECTION 15

This is the usual authorizing clause for the appropriation of funds to carry out the provisions of this act. A number of questions have arisen as to Congress willingness to appropriate the necessary funds. The most comparable example is the action of Congress this year in proceeding to appropriate funds for acquisition of properties at the Cape Cod Seashore in sufficient amounts to provide for orderly acquisition and establishment of the Cape Cod Seashore area.

TOCKS ISLAND NATIONAL RECREATION AREA, PA. AND N.J.

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to authorize establishment of the Tocks Island National Recreation Area in the States of Pennsylvania and New Jersey, to be administered by the National Park Service. I am joined in sponsoring this measure by my distinguished colleagues from New Jersey [Mr. CASE and Mr. WILLIAMS], New York [Mr. JAVITS], and Pennsylvania [Mr. SCOTT].

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

The bill (S. 3530) to authorize establishment of the Tocks Island National Recreation Area in the States of Pennsylvania and New Jersey, and for other purposes, introduced by Mr. CLARK (for himself and Senators CASE, WILLIAMS of New Jersey, JAVITS, and SCOTT), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. CLARK. Mr. President, last year, as my colleagues will recall, Congress approved the creation of the Delaware River Basin Commission, composed of the Governors of the States of New Jersey, Delaware, New York, and Pennsylvania, and the Secretary of the Interior. This Commission is given responsibility for the planning, conservation, and development of the water and related land resources of the Delaware River basin. The Commission has recently approved a comprehensive plan for the development of the basin prepared by the Corps of Engineers. As part of this plan, they approved a recommendation that some 47,000 acres of land be acquired around the proposed Tocks Island Reservoir—to be located on the Delaware River about 6 miles above the Delaware Water Gap—and that this land, in conjunction with the 15,000-acre reservoir, be developed into the largest water recreation area between the Great Lakes and the Atlantic Ocean. It will be the first such area in the East to be called a national recreation area.

This proposal thus has the approval of the Governors of the four States concerned and of the executive branch of the Federal Government. Speaking for Pennsylvania at least, I can say that it has the approval of all concerned. To my knowledge, no voices have been raised against the proposal in any of the public hearings held by the Corps of Engineers, by the Delaware River Basin Commission, and by the States concerned.

Construction of the Tocks Island Dam itself will presumably be authorized in the omnibus public works bill which we will pass later in the session. It has been recommended by the administration and, since it has the approval of the States affected and has no opposition within those States, there appears to be no reason to believe it will be removed from the omnibus bill before passage.

I am introducing this bill today in the hope that we can settle the question of recreation development at the time the omnibus bill is passed, so that recreation planning can proceed concurrently with planning of the dam itself.

As has frequently been noted, the eastern coast of the United States has already become the world's first "megalopolis"—an almost continuous belt of urbanization stretching over 400 miles from Maine to Virginia. For the millions of people living and working in this maze of concrete and steel it is essential that we preserve and develop for recreational use the few remaining areas where expanses of pure water are available and trees still outnumber telephone poles. The reservoir at Tocks Island will be the largest fresh water reservoir located near the most people of any in the United States—and probably in the entire world. Some 30 million people live within 100 miles of Tocks Island—only slightly farther than many of them travel in a single day to and from their jobs. And it is estimated that about 7 million people will visit the recreation area annually. It will be 30 miles long, with a shoreline of 100 miles.

Mr. President, I ask unanimous consent that a recent editorial from the Philadephia Inquirer emphasizing the need for a national recreation area in the East and an article by Hugh Scott—no relation to my colleague who is cosponsoring this measure—which appeared in the Inquirer magazine in December 1960, be inserted at the conclusion of my remarks.

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

(See exhibit I.)

Mr. CLARK. Mr. President, from the economic point of view, development of recreation resources is one of the wisest steps we can take. In the Commonwealth of Pennsylvania today—where 373,000 people are still out of work—the recreation industry is our No. 1 growth industry. It accounts for over $1 billion in annual income in our Commonwealth; yet, relative to its potential, it is still probably our most underdeveloped industry.

The bill I have introduced will enable planning and preliminary land acquisition for the recreation area to begin at the same time that land for the reservoir is acquired. It authorizes the Secretary of the Army to acquire the necessary lands and, when practicable, to transfer jurisdiction to the Secretary of the Interior who will develop a land and water use management plan including provisions for public outdoor recreation benefits, preservation of scenic, scientific, and historic features contributing to public enjoyment, and utilization of natural resources consistent with these objectives. Hunting and fishing shall be permitted within the area in accordance with the laws of Pennsylvania and New Jersey.

EXHIBIT I

EAST NEEDS NATIONAL PARKS, TOO

While a Federal plan submitted to Congress by President Kennedy for 10 new na-

tional parks offers some important and attractive features, it still leaves the crowded East largely neglected in respect to such great outdoor recreational areas.

This 10-park program, before Congress since March 1, seemingly needs a little shoving, and the administration is setting about to get as much of it as the national legislators can be induced to approve.

With the approval it would be necessary to provide $63,075,000 for land acquisition for nine of the projects. The 10th, and the only one for the eastern section of the country, is the Sagamore Hill National Historic Site in New York—a memorial to Theodore Roosevelt.

The other sites, topped by a 332,000-acre Canyonlands National Park in Utah, spread westward from Indiana, Missouri, and Kansas to the Point Reyes National Seashore in California. They include a highly worthwhile proposal for an ice age national scientific reserve in Wisconsin.

Comparable projects in the East are limited. One is the Cape Cod National Seashore in Massachusetts, approved last year. It is to be hoped that the administration, and Congress, will give some attention to the need for adequate national parks near thickly populated eastern cities. Before long, without Federal action, there won't be many park areas for these districts remaining available.

TO DEVELOP THE DELAWARE

(By Hugh Scott)

If you've never heard of Tocks Island, don't be disturbed. Sitting in the Delaware River a few miles above the water gap, its past charm has rested mostly on its obscurity. Few knew the name of this slim island and, until recently, fewer thought it important.

Now, suddenly, Tocks Island is getting $177,380,000 worth of public attention. That, at least, is the estimated cost of building the proposed Tocks Island Reservoir and Recreation Area, a 62,000-acre land and water playground that would attract an estimated 7 million visitors to this section of the upper Delaware each year.

This area would start at the Delaware Water Gap and reach almost to Port Jervis. It would include a 37-mile-long lake or reservoir with a surface area of about 15,000 acres and a shoreline of 100 miles. The reservoir would be formed by the Tocks Island Dam to span the Delaware some 5 miles above the water gap. Bordering the reservoir would be some 47,000 acres of recreational land.

All these facts and figures are in the comprehensive plan recently completed by the Philadelphia District of the Army Corps of Engineers. Recommendations for action on the project are to be made to Congress early next year. However, the Engineers are most directly concerned with the dam and reservoir. For their prime purpose is to make the Delaware behave in the most useful way.

Actually, a whole series of dams and reservoirs is planned by the Engineers for the Delaware River basin. But this one is the only dam proposed for the river's main channel, and it is by far the largest. In developing their plans for this and other dams, the Engineers asked the National Park Service to survey recreational resources and needs of the Delaware River basin.

The Park Service decided that there are few, if any, regions in the Nation that have a greater need for additional recreational land and water space. Some 30 million people live within 100 miles of Tocks Island, which is a relatively short distance for a vacation-hungry citizen. And, of these, some 7 million should visit the recreation area each year.

The Water Resources Association, which exists to tell the public about the Delaware River basin, feels that this Park Service estimate is low. "This would be the largest recreational area in the eastern United States," the association's president, Charles R. Bensinger, points out. "It would have a magnetlike attraction for those interested in camping, swimming, hunting, fishing, hiking, boating, water skiing and allied activities. We feel that the 7-million-a-year visitor figure well may be doubled soon after the project is completed."

Of the total ($177,380,000) cost of the Tocks Island project, $87,771,000 would be paid for by the Federal Government. The remaining $89,609,000 would be split between the States of Pennsylvania, New Jersey, and New York, and the New Jersey Power & Light Co. This utility has agreed to develop the hydroelectric power potential of the Tocks Dam.

In its recommendations for the Tocks Island Recreational Area, the Park Service selected 10 sites for development. These are shown on the accompanying map. The largest is the Wallpack Bend Recreational Area in New Jersey, which would extend approximately 11 miles upstream from a point 2 miles above the dam. This section alone would furnish 14,000 acres of playground space, including perhaps 50 miles of shoreline.

Pivotal in this whole project, of course, is the Tocks Island Dam. This will rise 160 feet above the river bed and will be 3,200 feet long. It will contain 3,500,000 cubic yards of earth and rock, and will form a 37-mile-long body of water varying from a half mile to a mile and a half in width, and having a normal depth of slightly over 100 feet at the dam.

Obviously, a lot of now dry land in the area is going to become very wet. Obviously, too, a lot of inhabitants—other than ducks—are going to have to move. Generally these people favor the dam, because of its flood control value and because of its value in water conservation. Many also feel that the recreational area will be of almost equal value. These people are mostly troubled by the uncertainty. They'd like to know what's going to happen, and when.

Certainly, there'll be some changes made. John K. Britton, of Bushkill, Pa., vice president of the Tocks Island Property Owners Association, recently listed most of the changes that may come to the Pennsylvania side of the project. Two hundred homes, for example, would be destroyed. Seven hotels and six motels would be casualties, along with four churches, two firehouses, and two post offices.

Some 27 miles of Route 209 would be made suitable only for boat travel, and the town of Bushkill would disappear. Other casualties on the Pennsylvania side would include a theater, a school, four stores and seven restaurants; a lumber yard, a golf course, and seven service stations.

These and other properties will be acquired in the usual way. First, three qualified, licensed appraisers from the area will set a value on each piece of property. If the owners do not wish to sell at these appraised prices, they can appeal to the courts for a higher valuation. All property owners, the Corps of Engineers points out, will have plenty of time to vacate their properties.

At present the Tocks Island Dam is recommended for completion during 1975.

FDIC INSURANCE OF U.S. BRANCHES OF FOREIGN BANKS

Mr. JAVITS. Mr. President, on behalf of myself and the Senator from Illinois [Mr. DOUGLAS], I introduce, for appropriate reference, a bill to authorize the Federal Deposit Insurance Corporation to extend insurance to deposits in U.S. branches of foreign banks. The bill could have a very favorable effect upon our international trade relations and balance of payments by attracting foreign deposits within the United States while at the same time affording a basis for reciprocal benefits to be given to U.S. banks abroad. For these reasons the banking community in New York State in 1960 sponsored legislation which authorizes foreign bank branches to do business within the State; the present bill would permit the FDIC to insure deposits in foreign bank branches when the States so authorize them to carry on banking activities. It should be noted that the branches would be required to meet the standards of both State banking law and the Federal Deposit Insurance Act, and the FDIC would not be required to extend insurance but would only be authorized to do so when in its judgment the criteria set out in the act have been met.

I ask unanimous consent that there be printed in the RECORD at this point in my remarks a memorandum explaining the bill in greater detail.

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

The bill (S. 3533) to amend section 3 of the Federal Deposit Insurance Act to include within the definition of "State banks" branches of foreign banks authorized under State law to accept deposits, introduced by Mr. JAVITS (for himself and Mr. DOUGLAS), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The memorandum presented by Mr. JAVITS is as follows:

MEMORANDUM—IN SUPPORT OF LEGISLATION TO AMEND SECTION 3 OF THE FEDERAL DEPOSIT INSURANCE ACT

The attached bill proposes to amend the Federal Deposit Insurance Act, to permit the Federal Deposit Insurance Corporation to insure deposits made in U.S. branches of banks incorporated under the laws of foreign countries. This amendment, which is in furtherance of the broad national policy under which the Federal Deposit Insurance Corporation was created, is made necessary because of new developments in U.S. and international banking, which were not contemplated or considered when the existing statute was enacted.

FOREIGN BRANCH BANKING IN THE UNITED STATES

Under the laws of the State of New York, foreign banks are now permitted to receive deposits at branches located within the State, under provisions similar to those applicable to State banks. Foreign lands, including banks from France, Israel, and the United Kingdom, have already established branch offices in New York at which deposits are being received, and leading banks from Italy and Japan are in the process of establishing such branch operations.

There is no provision in the present Federal Deposit Insurance Act under which U.S. branches of foreign banks can obtain Federal Deposit Insurance for their U.S. operations. This bill would permit the Federal Deposit Insurance Corporation, in its discretion to insure the deposits in U.S. branches of foreign banks.

The proposed legislation would make an important contribution toward implementing U.S. policy of encouraging international trade on a free and equitable basis, by giving depositors in U.S. branches of foreign

banks the same protection they would receive in domestic institutions. The bill could also have an appreciable effect on reducing the continuing outflow of U.S. gold reserves. Federal deposit insurance of deposits in these branches might well encourage foreign holders of dollar credits to deposit their dollar funds in U.S. branches of banks with which they are familiar due to regular dealings at home, where such persons might otherwise continue to redeem such credits in gold.

The New York State legislation authorizing such banking operations, enacted in 1960, was sponsored by the New York Clearing House Association, which described the objectives of the legislation in a memorandum to the New York Legislature dated January 15, 1960:

"The longstanding policy both of the United States and of the State of New York has been to encourage domestic enterprises to expand abroad. The road to such expansion must obviously be a two-way street. New York banks cannot hope that their presence abroad will be welcomed when their foreign hosts are admitted to New York State only on a discriminatory basis."

In approving this legislation, Governor Rockefeller reiterated the national importance of the new branch banking privilege for foreign banks, stating as follows:

"New York is the only great banking center in the world which does not permit branching privileges to foreign banks. Our banking industry employs great numbers of our citizens and contributes significantly to the economy of our State. If we are to foster the continued growth of this industry and maintain our favored position as a world banking center, we must permit other free nations the same privileges which we expect of them. Such reciprocity will bind the free world to us by the powerful ties of growing international commerce and will result in economic advantages to our State."

While the New York Clearing House Association and the Governor were speaking of New York State, these principles apply equally to the United States as a whole.

As a result of this legislation, banks which previously maintained agencies in New York have reconstituted them as branches, doing a regular commercial banking business. Branches of foreign banks may carry on most banking activities permitted State banks under State law, and their supervision, powers, and general business activities are subject to requirements substantially similar to, or even stricter than those applicable to comparable State banking institutions. In New York State, branches of foreign banks must maintain assets in the State equal to 108 percent of the branch's deposits and other liabilities.

FEDERAL DEPOSIT INSURANCE POLICY

One of the basic purposes of the Federal Deposit Insurance Corporation is to protect the individual depositor against the unforeseeable contingencies which may strike a banking institution despite the most careful operation and supervision. The public confidence in our banking system, which developed out of the establishment of Federal deposit insurance, revived and maintained confidence in the Nation's banks and contributed greatly to their growth and role in America's pre- and post-war economic development. The importance to banks and depositors of Federal deposit insurance is evidenced by the fact that, at the end of 1960, 13,451 out of 13,999 banks in the United States participated in Federal deposit insurance (FDIC Annual Report for 1960, dated June 8, 1961). Federal deposit insurance is not a substitute for scrupulous management and careful supervision by responsible banking authorities, and such supervision and management is present in the case of U.S. branches of foreign banks under State law. Banking operations in such branches are required to meet American banking and regulatory standards.

THE PROPOSED LEGISLATION

The proposed bill amends section 3 of the Federal Deposit Insurance Act so as to include within the definition of "State banks" any branch in the United States of a bank incorporated under the laws of a foreign country, if such branch is permitted to receive deposits and is supervised by State banking authorities in substantially the same manner as banks incorporated in such State. These provisions assure that the same degree of responsibility will be exerted as to such banks as is now exerted over State banks which are presently eligible for Federal deposit insurance. Thus, they offer the broadest protection to FDIC, to the public, and to other banks and their branches, while achieving the type of equality and reciprocity which was a key consideration in permitting such branch banking operations to be established under State law.

The foreign bank's branch, if insured by FDIC, would have to meet the accounting, reserve, and other standards of FDIC in addition to its State requirements which, in New York State, require establishment of separate earmarked reserves.

The foreign bank's branch would not be entitled to automatic coverage, as is a national member or a national nonmember bank of the Federal Reserve System. Rather, each of these branches would be in the position of a State bank, so that it may apply for insurance, which may be granted only upon examination and approval by FDIC's Board of Directors. The applicant branch would thus have to meet the requirements of section 6 of the Federal Deposit Insurance Act, which sets out the criteria to be considered by FDIC's Board of Directors in determining whether it will insure an institution's deposits. The Board would have to consider with respect to such branches, as it does as to State banks, the following important criteria in deciding whether insurance is to be granted:

1. The financial history and condition of the bank;
2. The adequacy of its capital structure;
3. Its future earnings prospects;
4. The general character of its management;
5. The convenience and needs of the community to be served by the bank; and
6. Whether or not its corporate powers are consistent with the purposes of the Federal Deposit Insurance Act.

The protection of domestic bank deposits is clearly in the public interest. The combination of State control, FDIC supervision, and strict statutory requirements provide ample safeguards for these branches. Basic policy considerations involving our economic relations with foreign nations and our balance-of-payments situation make the enactment of this legislation timely.

PUBLIC WELFARE AMENDMENTS OF 1962—AMENDMENTS

Mr. WILEY. Mr. President, I submit an amendment to 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, which would put back in the bill that is currently being considered by the Senate the language of the bill in the House affecting voucher payments in cases of abuse of funds under the aid to dependent children program.

The language which has been struck through which I ask to be included in the Senate version of the bill reads as follows:

USE OF PAYMENTS FOR BENEFIT OF CHILD

SEC. 107. (a) Section 405 of the Social Security Act is amended to read as follows:

"USE OF PAYMENTS FOR BENEFIT OF CHILD

"SEC. 405. Whenever the State agency has reason to believe that any payments of aid to families with dependent children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of protective payments as provided under section 406(b)(2), or in seeking appointment of a guardian or legal representative as provided in section 1111, or in other action authorized under State law which is deemed necessary to protect the interests of such child; and any such action taken by the State agency pursuant to such State law, other than denial of such payments with respect to such child while in the home of such relative, shall not serve as a basis for withholding funds from such State under section 404 and shall not prevent such payments with respect to such child from being considered aid to families with dependent children."

Mr. President, for the information of the Senate to show the backing this proposal has, I ask unanimous consent to have printed in the RECORD, an editorial from the Milwaukee Journal of Tuesday, June 26, 1962, and a resolution of the Milwaukee County Board of Supervisors on the voucher issue.

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

The editorial and resolution presented by Mr. WILEY are as follows:

CONTROVERSIAL BUT SENSIBLE

A representative of the Federal Department of Health, Education, and Welfare calls a proposal that got its start in Milwaukee County the "most controversial" issue in the public welfare reform bill now before Congress. The proposal has also been made something of an issue by organized labor.

The recommendation is simply for tighter control over use of aid to dependent children (ADC) funds. In cases in which mothers misuse ADC money, it is urged that vouchers be issued instead of cash to pay the rent, grocery bills, utility bills, and so forth.

The proposal runs counter to social work doctrine. This doctrine argues that welfare recipients can't be made to stand on their own feet if they aren't allowed to handle money. For this reason the Federal Government, which pays about 50 percent of ADC costs, requires that all payments be in cash.

Generally speaking, the doctrine is sound. But how can it be justified in cases in which money is persistently misused? What is controversial about demanding that in such cases reasonable controls be established for the good of the children involved as well as the mothers?

The welfare bill has been amended to the extent of permitting cash payments to be made to third parties in some ADC cases. But this is a cumbersome procedure if there is no competent close relative. Court appointed guardians can hardly do the grocery shopping.

Too broad use of vouchers might turn welfare departments into collection agencies for merchants. Vouchers can also be misused. Recipients can sell them for cash to dishonest merchants or purchase items to which they are not entitled. But these dangers can be curbed by close administration and limiting the use of vouchers to a small percentage of the ADC cases in a county, say 5 percent.

The Milwaukee County proposal—which was earlier endorsed by the county board of supervisors and the State legislature and has now been approved by the county board of public welfare in telegrams to Senators WILEY and PROXMIRE—is realistic. It deserves to be incorporated in the welfare legislation.

RESOLUTION TO REAFFIRM COUNTY BOARD POSITION ADVOCATING FEDERAL LEGISLATION TO ALLOW LIMITED USE OF VOUCHERS IN AID TO DEPENDENT CHILDREN CASES, AND TO COMMEND CONGRESSMAN ZABLOCKI AND UNITED COMMUNITY SERVICES OF GREATER MILWAUKEE FOR THEIR STANDS IN SUPPORT OF SUCH LEGISLATION

Whereas on May 8, 1962, the Milwaukee County Board of Supervisors adopted a resolution authorizing an official delegation to attend the U.S. Senate Finance Committee public hearings on bill H.R. 10606, relating to changes in the aid to dependent children (ADC) program; and

Whereas, pursuant to such resolution, the chairman of the county board finance committee and the director of the county department of public welfare did testify before the Senate Finance Committee on May 15, 1962, in support of an amendment previously introduced in the Congress by Representative CLEMENT J. ZABLOCKI at the request of the county board, which amendment would give local governments discretionary authority in appropriate ADC cases to pay monthly benefits in commodity or voucher form, and also to demand from those recipients who do receive monthly benefits in cash an accounting of the expenditure thereof; and

Whereas it was subsequently reported in the daily press on May 30, 1962, that Congressman ZABLOCKI, the county board of supervisors, and the county department of public welfare were all assailed by the director of the Milwaukee County Labor Council's community service activities for advocating this welfare amendment; and

Whereas the accusations so reported are totally undeserved, especially in view of the facts that when committees of the county board of supervisors held public hearings on this measure on November 21, 1960, and on April 27, 1962, no representative of organized labor made any appearance against it, and when committees of the 1961 Wisconsin legislature also held public hearings on two similar resolutions (both of which were thereafter adopted) labor spokesmen did not voice objection to the same: Now, therefore, be it

Resolved, That the Milwaukee County Board of Supervisors, in annual meeting (continued) duly assembled on June 26, 1962, hereby reaffirms its position in favor of Federal legislation to allow limited use of vouchers in aid to dependent children cases, and urges the U.S. Senators from Wisconsin to make every possible effort to have section 107(a) of the aforementioned bill H.R. 10606, which section would allow States to delegate authority to local governments to make voucher and other restricted payments, and which was recommended for deletion by the Senate Finance Committee on June 14, 1962, restored to said bill on the floor of the Senate; and be it further

Resolved, That the Milwaukee County Board of Supervisors hereby commends Congressman CLEMENT J. ZABLOCKI and the United Community Services of Greater Milwaukee for their forthright stands in support of such amendment for limited use of both vouchers and accounting controls in ADC cases; and be it further

Resolved, That the county clerk immediately transmit certified copies of this resolution to U.S. Senators ALEXANDER WILEY and WILLIAM E. PROXMIRE, Congressman CLEMENT J. ZABLOCKI, the United Community Services of Greater Milwaukee, and the Milwaukee County Labor Council as an indication of the Milwaukee County Board of Supervisors' position in this matter.

Mr. LAUSCHE submitted an amendment, intended to be proposed by him to the amendments proposed by Mr. ANDERSON (for himself and other Senators) to House bill 10606, supra, which was ordered to lie on the table and to be printed.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1963—AMENDMENT

Mr. McNAMARA. Mr. President, I send to the desk an amendment to H.R. 10904, the Appropriations Act for the Departments of Labor, Health, Education, and Welfare and related agencies, for the fiscal year ending June 30, 1963, and ask that it be printed.

The purpose of my amendment is to increase the proposed appropriation for "Manpower development and training activities" in the Labor Department budget from $50 to $100 million, the latter figure being the amount authorized by Public Law 87–415, the Manpower Development and Training Act of 1962.

At an appropriate time, I shall detail my reasons for seeking to restore the appropriation to the full $100 million authorized under the act.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

AMENDMENT OF TITLE VI OF MERCHANT MARINE ACT, 1936—REFERENCE OF BILL

Mr. MANSFIELD. Mr. President, at the request of the Committee on Commerce, I ask unanimous consent that that committee be discharged from the further consideration of the bill (S. 3511) to amend title VI of the Merchant Marine Act, 1936, with respect to the operation of vessels as to which operating-differential subsidy is paid, introduced by the Senator from Maryland [Mr. BUTLER], and that the bill be referred to the Committee on Labor and Public Welfare.

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

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 11, 1962, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 68) providing for the designation of the week commencing October 14, 1962, as "National Public Works Week."

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. DIRKSEN:

Résumé of service of Senator WILEY, of Wisconsin.

LAUNCHING OF THE COMMUNICATIONS SATELLITE TELSTAR

Mr. PASTORE. Mr. President, as chairman of the Senate Commerce Committee's Subcommittee on Communications, and as an American citizen, I am thrilled by the launching of the communications satellite Telstar, last evening.

Beyond my personal and official participation there was the exciting consciousness that far across the ocean other people were instantly sharing in the achievement. Thus the curtain rose on a drama of the space age that, through the magic of television, makes the whole world next door neighbors.

My congratulations go to every last man and woman of our Government and of the American Telephone & Telegraph Co. for their part in making this progress possible. I am sure I echo the grateful sentiments of every American, for every American takes justifiable pride today in the triumph of the Telstar satellite, and pays tribute to the courage, confidence, and capability of American enterprise that put it into orbit.

It is a peaceful demonstration of America's desire that the world shall be in such close communication as only the use of outer space can accomplish.

It is to the glory of American science and to the credit of American private enterprise, in partnership with its Government, that man has made this significant beginning in an era when mankind needs to come into the closest communication physically and spiritually, when neither time nor space shall separate men, nor hates or fears divide them.

As the hour of the Telstar's launching approached, an editorial in the New York Times spoke fairly and forcibly on the essentiality of pooling public and private talent for maximum progress in this challenging age. I ask that the New York Times editorial of July 10, 1962, be printed in the RECORD at this point in my remarks.

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

THE SPACE COMMUNICATIONS SATELLITE

The planned launching this morning of the Telstar communications satellite marks another dramatic thrust in man's penetration of the mysteries of space. The satellite, sent into orbit through a partnership of industry and Government, inaugurates a new era in communications.

Its readiness for experimental use focuses fresh attention on the merits of the administration-backed bill, which the Senate is about to debate, creating a private corporation to own and operate the U.S. portion of a global satellite system. The probability that such a system will be operating by 1965 represents an incalculable advance, and there is understandable controversy over the rules the Government should set to insure that the benefits for us and the world will be fully realized.

The bill, similar to one already passed by a House vote of 354 to 9, would make half the stock in the new corporation available to the general public and half to the common carriers in the communications field. The private stockholders would elect 6 of the corporation's 15 directors, the communications companies 6, and 3 would be appointed by the Government. The Federal Communications Commission would regulate rates and services under powers broader than any it now exercises.

The measure's foes contend that it proposes a "giveaway" of the fruits of huge sums in Government-financed research to a private monopoly more interested in profit than in the satellite's great potentiality for service. Special fear is expressed that the corporation would be dominated by the American Telephone & Telegraph Co., which would supply 80 percent or more of its traffic. Government ownership along the lines of the Tennessee Valley Authority is the alternative these critics favor.

Supporters of the bill insist that safeguards in the proposed legislation prevent one-company domination and make the private corporation a promising instrument for integrating the satellite into the privately operated communications pattern that prevails in this country. The validity of these hopes would depend on the stringency of the powers assigned to the FCC and on the adequacy of the funds and staff it got for the most exacting regulatory task in its history.

Among the specific requirements it would have to enforce is a guarantee that all present and future communications companies have access to the satellite and its ground terminal stations on a nondiscriminatory basis under "just and reasonable" charges and conditions. The FCC also would have a mandate to police the manner in which facilities were allocated and interconnections supplied to insure competition. Effective follow-through on these requirements is a sine qua non for proper public protection.

The "giveaway" argument has no greater force in this field than it does in agriculture, mining, aircraft development, electronics or any of the dozens of other areas in which Government-paid research has long provided benefits for both public and private users. Few experts believe a commercial satellite system can approach the break-even point in less than 5 years. The primitive state of present knowledge is indicated by the Pentagon's recent decision to scrap Project Advent, on which it had already spent $170 million in an attempt to develop a synchronous satellite that would travel in equatorial orbit 22,300 miles above the earth.

What is needed now for maximum progress in military and commercial applications is a pooling of public and private talent. The Telstar, developed by A.T. & T. and hurled into orbit by a Government rocket, indicates the virtue of such cooperation. Its first uses for transatlantic television transmission will reflect a similar partnership—private broadcasters on this side of the ocean and Government-run networks in Europe. With rigorous FCC supervision, the same pattern, embodied in the projected corporation for satellite communications, could permit the United States to play its full part in extending to all sections of the globe the high purposes of service to mankind offered by this newest gift of science.

Mr. PASTORE. Mr. President, in this competitive world, I say, there is no prize and little prospect for the "second best."

Here, with Telstar, America has achieved a "first." Let us keep that pace of partnership of private industry and powerful government. We shall stay first with a long pull, a strong pull, and a pull all together.

THE LAST MILE TODAY

Mr. PASTORE. Mr. President, once in a while a newspaperman writes a human interest story that deserves to be classed as a classic. Such a story is "The Last Mile Today," as George Popkin wrote it for the Providence Bulletin of July 5, 1962.

The story deserves its front page 3-column prominence, and I wish that the RECORD could reproduce the picture of a mailman's greeting from his friends on his last day on his route—the last day of their letter carrier, Reginald V. D. Davis.

I will quote just a few lines from the story. They read:

Some people think it's important that Mr. Davis is a Negro—and that he delivered the mail in a white neighborhood which adored him.

Said Mr. Davis, "It's easy to be nice to people who are nice to you." He looked around at his public—"These are the nicest people in the world," he added.

That is the mood of the whole story, refreshing in a time when it is ever so important that people should be "nice" to one another; and I ask unanimous consent that "The Last Mile Today" be printed in the RECORD at this point in my remarks.

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

THE LAST MILE TODAY

(By George Popkin)

You'd think Reginald V. D. Davis was walking the last mile today as housewives ran to their windows, waving sorrowful farewells. Children cried out their goodbys, Dogs barked in melancholy tones.

And you'd be right. Mr. Davis was walking his last mile—as a Providence postman. After almost 35 years of unusual service he's retiring.

Some mailmen deliver the mail. When Mr. Davis rang a doorbell, letters in hand, he brought friendship and understanding as well.

Now that he's leaving, tears of regret threaten to flood an entire neighborhood.

Here's where Mr. Davis practiced his trade—that of first-class human being—on Chapman Street, New York Avenue, Toronto Avenue, Georgia Avenue, Carolina Avenue, Ohio Avenue, and Indiana Avenue.

Some people think it's important that Mr. Davis is a Negro. And that he delivered the mail in a white neighborhood which adored him.

Said Mr. Davis: "It's easy to be nice to people who are nice to you."

He looked around at his public. "These are the nicest people in the world," he added.

Thereupon, the collected housewives began moaning. Small boys began groaning. And the dogs started barking in melancholy tones again.

How did Mr. Davis earn this tribute? Let his admirers speak:

Thomas F. Kelly, of 251 New York Avenue, has lost both his legs because of poor circulation. Let him speak first.

Remarked Mr. Kelly, as he sat in his wheelchair: "He's my righthand man. I don't know what I'll do without him. He takes me wherever I want to go, on his own time. I've plenty of relatives, but I tell you this—he's my righthand man."

Mr. Kelly looked up at the bright sun, squinted a little, and said: "I've never seen anyone like him in my life. All he wants to do is do things for people."

Michael Coakley of 267 New York Avenue sounded desperate. "I don't like this at all, I don't like his leaving at all," he said. "He's the best mailman we ever had. He's such a jolly fellow and he'd do anything for you."

The neighbors stood around talking, blocking Mr. Davis' last post. They talked about the time he delivered some mail at 7 a.m. on his own because of serious sickness in a family. Of how he would take the boys to Benson's Animal Farm on an outing. Of how he took old folk shopping and delivered them safety to their door.

"I'm so sorry to see him go," declared Mrs. Loretta Daniels of 171 Indiana Avenue. "There was a lady here with no way to get around, and he'd take her shopping. When any of the boys act up and it looks like they might get in trouble, he talks to them. I never saw anything like it."

"Reggie," as he is known from Allens Avenue to Eddy Street, scraped his feet a bit nervously as the compliments poured forth.

"I've known him for 11 years and he's been a wonder in the neighborhood," commented Mrs. John Gomes of 185 Indiana Avenue. Mrs. Matthew J. Murphy of 175 Indiana Avenue nodded assent.

Mrs. Bernard J. Duffy of 167 Indiana Avenue remarked: "He's really a wonder. He's interested in everyone. Ready to do anyone a favor."

The voices swelled and they began to sound like a petition that Mr. Davis not retire.

"I'll be around," Mr. Davis assured. "You all know where I live. I'm not so far away." (He lives at 328 Smith Street in Cranston.)

The lamentations continued. "I'll see you at the supermarket," the retiring mailman consoled. "And I'll be around to pick up the kids for a ball game, or something."

While the householders discussed a future without Mr. Davis, the subject of discussion talked of other things.

"I tell you," he philosophized, "I found out this. There's always a reason if someone's miserable. You've got to understand people. I brought the mail and I knew someone was waiting for a letter from her sister. Or I knew the news probably was bad and I hated to come up the stairs."

"Reggie" had trouble with only one dog in his 11 years in the neighborhood. "He (the dog) has trouble with everyone," observed Mr. Davis with a shrug of the shoulders.

Still, people stood around in little knots, talking about the end of an era. "He just can't retire," someone was saying.

But Mr. Davis was calling it a day. Regulations allow him to retire at 55 after 34 years of service, and the bachelor plans to travel and see the world.

"After that," he said, "who knows? I'll probably do something else to keep busy. I started out as a carrier in 1942 in South Providence, you know, after being a mail handler in the old Gaspee Station."

Mr. Davis reflected upon the future. "I'll start out at 6:30 in the morning at the Edgewood Station picking up the mail. It'll be good to be able to sleep. I'll take it easy for a while."

Then he reflected upon the past. "I was born on Benevolent Street," he said. "My parents were Mr. and Mrs. Arthur Davis. It's been a long time."

Still, unhappy voices continued their songs of regret. "We just got to have him stay," someone was saying.

Retirement beckoned a step away—but Mr. Davis' feet dragged a trifle as he moved ahead into new pastures. He kept looking over his shoulder.

PER JACOBSSON OPPOSES TAX CUT NOW

Mr. PROXMIRE. Mr. President, on Sunday Mr. Per Jacobsson, the distinguished Chairman of the Board of the

International Monetary Fund, a man who is recognized as one of the truly outstanding bankers in the world, appeared on "Meet the Press." I think it is very important in view of newspaper reports to the effect that international bankers favor a tax cut for America now to point out that this eminent international banker Mr. Per Jacobsson says he is against a tax cut now; that he supports the position of President Kennedy, and he does so on the basis of vast experience with economies all over the world.

I ask unanimous consent that the transcript of "Meet the Press" of Sunday, July 8, 1962, be printed at this point in the RECORD.

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

MEET THE PRESS

(Produced by Lawrence E. Spivak)

JULY 8, 1962.

Moderator: Ned Brooks.

Guest: Per Jacobsson, Chairman of the Board and Managing Director, International Monetary Fund.

Panel: Marquis Childs, St. Louis Post Dispatch; Donald Rogers, New York Herald Tribune; Edwin Newman, NBC News; Lawrence E. Spivak, permanent panel member.

Mr. BROOKS. This is Ned Brooks, inviting you to "Meet the Press."

Our guest today is one of the world's foremost economists, Mr. Per Jacobsson, Chairman of the Board and Managing Director of the International Monetary Fund. Mr. Jacobsson is a leading authority on money. He has acted as adviser to many governments and he has written extensively about monetary problems.

A native of Sweden, he served on the economic staff of the League of Nations and with the Bank for International Settlement in Switzerland. The Fund he now heads is a specialized agency of the U.N. which works for freer expanded world trade, seeking in this way to raise standards of living and facilitate economic development.

Now we are ready to start the questions with Lawrence E. Spivak, permanent member of the "Meet the Press" panel.

Mr. SPIVAK. Mr. Jacobsson, as you know there is a great deal of concern in this country that we are heading for a recession. Do you think we are heading for recession or depression?

Mr. JACOBSSON. I don't think we are heading here in this country for a recession. My belief is that the improvement that has taken place this year—and it is quite remarkable—will continue. I do not even think that the decline of the stock exchange will greatly influence the trend of business in this country over the next few months or even into the beginning of next year.

Mr. SPIVAK. Are you saying then that you don't think the stock market is a reliable indicator of future business?

Mr. JACOBSSON. I think there are times when the stockmarket clearly anticipates a business decline, but on this occasion I believe it was quite a different situation. I know very many wise men who for a long time had expected an adjustment on the stock exchange, thinking that prices were too high, people believing there would be a continuation of inflation and not having understood that we were in a new era with more stable prices and what has been called an end of the postwar inflation.

Now this adjustment may be just as well a sign of strength as a sign of weakness.

Mr. SPIVAK. Well, Mr. Jacobsson, there has been growing agreement in this country that we need a tax cut in order to stimulate business. Am I to understand from what you have said that you think we are not heading for economic trouble and that we don't need a tax cut to stimulate business?

Mr. JACOBSSON. You say there is growing agreement in this country on a tax cut, but when I read the newspapers this morning I found a number of people said this was at the wrong time and [that it was] not needed now. I think still it is a very open question. The question of the tax cut has very much to do with two problems, one, whether one has to expect a setback in business, and I do not believe there will be a setback in the coming months, I think the improvement will continue, not at the high rate that had been expected, but still at a steady rate.

Secondly, some people believe there has to be a tax cut because they want a higher deficit in the budget, which, of course, is quite another question. There will be, as we know, a deficit, a fair amount already under present provisions so that some people think that this deficit is large enough to give the impetus to business that is needed in this situation.

Mr. SPIVAK. There has been agreement in this country on the part of labor leaders, on the part of the president of the chamber of commerce and on the part of most politicians that a tax cut is needed to stimulate business. The disagreement has been on when the tax cut should come and where the tax cut should come.

Do I understand you now to say we are not heading into a recession and we do not need a tax cut now and we may not need it at all?

Mr. JACOBSSON. I believe that it would be very valuable to have a tax cut as the President has promised in 1963, when it can be done without a major budget deficit, taking all things into consideration. But if I understand those people rightly who ask for a tax cut now, they want to have that in order to increase the deficit in the budget in order to give greater stimulus through the budget deficit and they hope also perhaps that lower taxes will lead to more spending.

In my opinion this is probably not needed. We shall know more in the autumn, and I think when the President said that he would prefer to maintain the schedule that he had indicated earlier in the year, to have the tax cut next year, I think that his preference is also mine.

I was asked a few months ago by a lady at a dinner the following question: She said "I have heard, Mr. Jacobsson, that you are in favor of a deficit in the budget."

She looked at me as if I had been in favor of sin, so I replied to her that under certain conditions a deficit in the budget can be valuable, that it often came in recessions in the past and it can be useful. But there should be measure and moderation in everything, and as we know that already this year, for the fiscal year 1963, there will be a deficit of, let us say, $4 billion at least, and that in the next 6 months which is the weak period of revenue for the Government, there will be borrowing, taking care of the seasonal deficit, of up to $9 billion, some of us may think these deficits are sufficient for all practical purposes to give the impetus needed without any addition being needed now and that with this deficit it is possible to maintain the improvement in the balance of payments, while with much larger deficits it may not be so easy to do so.

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Mr. BROOKS. Now resuming our interview, our guest today is one of the world's foremost economists, Mr. Per Jacobsson, the Managing Director of the International Monetary Fund. You have just met Lawrence E. Spivak, permanent member of our panel.

Our other reporters today are Marquis Childs, of the St. Louis Post Dispatch; Donald Rogers, of the New York Herald Tribune; and Edward Newman, of NBC News. We will continue the questions with Mr. Childs.

Mr. CHILDS. Mr. Jacobsson, when I was in Detroit the other day some of the automobile manufacturers said to me—they pointed out that American wages were three times as high for comparable work as German wages.

Now do you think when these tariffs are lowered and the Common Market is in effect that American industry will be able to cooperate in spite of this high wage level?

Mr. JACOBSSON. The higher wages in the United States are a problem when these wages are compared with the wages in Europe. But I doubt whether the difference is as great as three times now, because wages in Europe have risen much more quickly recently than here in the United States. The increase in Germany has been for 2 years at the rate of 10 percent a year and Germany revalued its currency 5 percent. It is an increase internationally of 25 percent in 2 years. And in the same period the increase here has not been more than 5 to 6 percent.

Mr. CHILDS. You wouldn't think governmental action was necessary to try to reduce our wage level?

Mr. JACOBSSON. No, but I think the government policy of having given guidelines for a moderation in increase in wages is very important, and I should think moderation in increase in wages here, within the limits of productivity and a continuation of the boom in Europe, with the increase in wages, will perhaps bring us nearer to an equilibrium than I for my part dared to hope 1 or 2 years ago.

Mr. CHILDS. On the other side of this coin you hear from business and industry about the profit squeeze in this country which it is claimed to have cut down plant investment. Is this a serious matter too in our economy?

Mr. JACOBSSON. As long as there is an inflationary rise in prices, profit margins are always very large. Industry gets used to them. When we have a period of stability in prices profit margins will be narrower and that means industry will have to pay more attention to costs. That is also a reason for moderation in taxes on industry, and I think that is what the President has in mind in his tax cut next year. At least one of the purposes.

Mr. ROGERS. I'd like to go back to the deficit for just a minute. There is a little bit of confusion, I think, in the minds of the public, and perhaps a little bit of inconsistency. You say that you are in favor of the deficit and you say you are in favor of a deficit because this will stimulate the economy—deficit spending will. By the same token or at the same time you say you are not worried about the economy, that you don't think there is a recession over the horizon, as some of the indicators seem to imply. I don't see why, if that is so, that you favor a deficit at this time. I wonder if you would explain that please, Mr. Jacobsson.

Mr. JACOBSSON. Obviously there is quite good business at present because the gross national product is 7.5 percent higher than a year ago, which is an improvement of considerable proportions. Not as high as expectations but if those expectations had not been published, I think the Government could have been very proud of what happened. And I think it will continue. There is unemployment and I think there is a need to expand purchasing power in this country, even with a certain expansion, moderate, in the money supply. And at a time when there is not a great deal of direct business borrowing, a Government deficit of moderate proportion may help to even achieve the monetary expansion that otherwise would be difficult to arrive at.

Mr. ROGERS. Do you think our deficit spending has an adverse effect on other foreign capitals adverse effect on the dollar?

Mr. JACOBSSON. I think a moderate deficit would be accepted in European capitals as a normal thing. Because even before 1914 in a recession, when Government revenue was not as large a deficit was usually incurred and that has been a normal element in business cycle remedies, even before 1914. But, of course, if it goes beyond what one regards as the proportion that could be financed without inflation, then people would be nervous.

Mr. NEWMAN. Mr. Jacobsson, there are economists who regard the devaluation of the American dollar as inevitable, eventually. Do you agree with that? Do you think it is?

Mr. JACOBSSON. Certainly not. I do think that for a few years, American costs and prices were on the high side in relation to other countries and that there was a problem that could have been serious. But we have had two developments clearly before us. One is the moderation in price and cost increases here in the United States and the very rapid increase in money wages in almost all the countries on the continent in Europe, at the rate of 10 percent a year in Germany, of 8 to 9 percent in France, and this is very important. Secondly, there has been quite an impressive increase in exports to these countries, and an export surplus here of around $5 billion a year which I think will be maintained this year which shows, at least to me, that there can be no question of any considerable overvaluation of costs and prices in this country.

Mr. NEWMAN. I take it then that you do not agree with those who say the price of gold should be raised?

Mr. JACOBSSON. I do not believe the price of gold should be raised. I believe there are grave political reasons against it and I do not think it would improve the conditions of this country because I think other countries would devalue at the same rate as the dollar so the relative position would not be changed to any important degree.

Mr. SPIVAK. Mr. Jacobsson, you recently said in a U.S. News interview that in order for our economy to live without inflation there must be a restraint upon wage increases.

Looking at our economy today as I know you have, do you think there has been that restraint?

Mr. JACOBSSON. I think there is a restraint, in comparison with what happens in other countries. After all, it is one of the rules of life that you cannot avoid all mistakes but you must make less mistakes than others. And I think the United States now is making less mistakes than others. Last year the official figure for wage increases was 2.7 percent. I believe that this year it will probably be something similar and these are moderate increases compared with those in other countries.

Perhaps it would be better for this country and for business expansion internally, if the wage increases were even more moderate. But I believe the action of the administration and the understanding of labor leaders is that wage increases must be moderate, and attention has to be paid to costs.

Mr. SPIVAK. You seem to be a lot more optimistic about our economic position than a great many of our politicians are. You think the wage increases are OK; you feel we haven't had too much of a deficit. Will you tell me why we haven't had a more rapid economic growth, then?

Mr. JACOBSSON. You know, I regard an increase in the gross national product from one year to another at the rate of 7.5 percent as quite an impressive increase. I think if it hadn't been for the published aims of higher figures, people would be rather proud of what has happened, and I think there is a chance that this will continue. And I have seen the improvement in the balance of payments. I think, on the whole, present policies are those that are called for in the present situation. And I would give them the run of the business for the time being and therefore make no sudden change now. In fact, I believe that a steady improvement, not artificially produced, will be more helpful even to unemployment. Because, after all, we don't want to see a sudden improvement in employment, with a setback after, but a steady increase may be really what is most suited to this economy at the present moment.

Mr. CHILDS. Mr. Jacobsson, some critics have been saying that because of the vulnerability of the dollar to worldwide demand, present arrangements to stabilize currency are not adequate and they have been advocating a kind of international Federal Reserve System.

Do you think something like that is called for, now?

Mr. JACOBSSON. You know, in my work I have to always consider what is possible at any given time. And last year the fund proposed with the help of interested governments, a borrowing arrangement, leading to an increase in the fund resources, of $6 billion. That has been voted now and we hope to have it all voted in a few months' time. Six countries out of the 10 have already accepted it fully, with votes of parliament and all proper legal decisions taken. Thus, we have gone a long way in providing sufficient resources to meet any speculative attack on any currency.

Mr. CHILDS. You, I know, recently came to the rescue of the Canadian dollar, in a kind of emergency situation. Could you do the same thing if the American dollar were suddenly under severe attack?

Mr. JACOBSSON. We could already provide a very fair amount for the U.S. dollar and in a few months' time when we get this borrowing arrangement ratified there is no opposition in any country to it—we can do it even more easily. We provided $1 billion, not only through the fund but through the help of friendly governments, for the Canadian Government within 4 to 5 days.

The quota of the United States in the Fund is $4,125 million, and I think the Fund could—already now but certainly in a few months' time when the borrowing arrangement is ratified, provide help speedily without any difficulty.

Mr. ROGERS. Do you see any analogy in the attitude of foreigners now between the American dollar as toward the Canadian dollar, say, 6 months ago?

Mr. JACOBSSON. Certainly not. The Canadian dollar was known to be under pressure already last autumn. There was a certain evening out of the situation earlier this year. It came under pressure, again. The Canadians have a deficit on current account of the balance of payment. It was at the rate in the first quarter of this year of $350 million. If you take the U.S. balance of payments calculated in the same way, there was here a surplus of $850 million. So the situation in Canada and in the United States is very different indeed and the rate of the budget deficit was very different. Now the Canadian Government has taken certain very useful measures to remedy their situation but it is my opinion that the same policy is not needed here in this country and that the attitude of foreigners is certainly not the same toward the U.S. dollar and the Canadian dollar.

Mr. BROOKS. Gentlemen, we have about 2½ minutes. Mr. Newman.

Mr. NEWMAN. Mr. Jacobsson, you said a few minutes ago the United States was making fewer mistakes than some others. Who are the others who are making more mistakes than we are?

Mr. JACOBSSON. Now that is a very invidious question.

You will have seen that in Germany. Dr. Erhard has said that though he regrets to intervene in a private and free economy, he thinks that Germany, too, has to have a price and wage policy. So obviously difficulties occur elsewhere as those we know in this country.

Mr. NEWMAN. Isn't what is happening in those countries simply that large groups of workers are beginning to demand a larger share of the national product that perhaps they were denied before?

Mr. JACOBSSON. That is part of the story, but I want to say this: The boom in Europe is continuing. The new orders in Germany in May increased by 12 percent for home orders and 5 percent for foreign orders. The boom in Europe is continuing.

Mr. ROGERS. May I ask you a direct question: Are you in favor of tax reform to relieve the pressure on business so they can increase productivity?

Mr. JACOBSSON. That is partly why I am in favor of it, largely for that purpose, but not in order to increase the deficit in the budget.

Mr. SPIVAK. Mr. Jacobsson, there have been repeated European rumors that there is a possibility at least of dollar devaluation. Do I understand from what you have said that you see no danger at all of our having to devalue the dollar?

Mr. JACOBSSON. I think the situation this year is immensely much better than a year ago and I think among my friends in Europe, who are probably different from a number of speculators, the confidence in the dollar has increased over the last year and that I see no great distrust in the dollar.

Mr. CHILDS. I would like to come back to Mr. Spivak's question about the stock market. You said you thought this was a healthy development. Do you think the market has now—the price of securities has now stabilized at a fairly reasonable level—in the present market?

Mr. JACOBSSON. This is a difficult question. I think there was a danger of a tailspin. I think that we see now that the plane has sufficiently lifted off the ground so that it will continue and we have no real danger of a crash before us.

Mr. NEWMAN. Well, what conclusion do you draw from that fact about the function that the stock market plays? Does it play a legitimate part in the economy or does it simply mislead us?

Mr. JACOBSSON. I believe in a market economy, but I believe markets can be wrong. But I believe markets have a tendency to correct themselves and I believe perhaps bureaucrats have not always the same tendency to do so.

Mr. BROOKS. Gentlemen, at this point we are going to have to suspend our questions. Thank you very much, Mr. Jacobsson, for being with us.

FOOD AID TO RED CHINA WOULD BE A DISASTROUS MISTAKE

Mr. PROXMIRE. Mr. President, Columnist Joseph Alsop comments in this morning's papers on the issue of this Nation providing grain to Communist China. He points out that sometime last December a conference was held in the executive branch and it was decided we would be wise to provide such grain. Mr. Alsop, with great wisdom, argues that it is very possible, although not likely, that the Communist Chinese government may be crumbling. While hunger is a brutal instrument to use, and no one likes to use it, nevertheless this is a brutal contest between communism and freedom. I think it would be a real disaster for us to send that grain to the Communist Chinese government to distribute to its people under present circumstances. Such a shipment might

conceivably save the Red Chinese government from collapse.

I strongly commend the article of Mr. Alsop, and I ask unanimous consent to have it printed in the RECORD at this point.

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

GRAIN FOR COMMUNIST CHINA?

(By Joseph Alsop)

As of today, the U.S. Government stands at least three-quarters committed to give massive aid in food to the Chinese Communists, on condition that the Peiping government asks for this aid, and on other conditions not publicly stated.

This is a deeply important though little understood governmental posture; and it will be useful to begin by showing how the Government got into this posture.

Some time ago, in brief, west coast grain dealers, apparently acting on speculative impulse, asked whether they could enter into contracts to sell American surplus grain to Communist China, on the pattern of the existing Canadian, Australian and French contracts. This inquiry touched off a round of the usual governmental committee meetings.

The meetings included the Assistant Secretary of State for Political Affairs, George McGhee; the Assistant Secretary for the Far East, Averell Harriman, and other interested and quasi-interested parties. The meetings produced a negative answer to the west coast grain dealers. But they also revealed some sentiment, though by no means a unanimous sentiment, for providing grain for China in response to a direct request from the Chinese government, and under conditions controlling the grain's distribution and the attendant publicity which the Chinese Communists would find very hard to meet.

Subsequently, the President at a press conference was asked whether he would provide grain for China. He answered, quite simply, that we had not been asked to do so. Leading American and foreign newspapermen at once inquired what was behind this answer. On the basis of information from the highly placed officials who favor feeding China, these newspapermen then published the flat, unqualified report that we would indeed feed China at China's request. And this report has not been denied to this day.

For the Communists, this kind of undenied publication constitutes an invitation. For the rest of the world, it constitutes, as noted above, at least a three-quarters commitment. The President and the other top policymakers did not intend getting into this posture. But they have got into it, and the question thus arises whether it is a good posture to be in.

In this connection, another series of Government meetings last December is decidedly relevant. In these rallies, the representatives of the huge intelligence apparatus joined with other policymakers, to consider a crucial question. The question was whether the Chinese Communist system might break down under the strain of its own cruelties and follies.

At that time, the fearful character of the present situation in China was hardly beginning to be appreciated in Government circles. In Government, official estimates made in the past, however deeply erroneous, always exercise much influence on present official opinion. Hence the December rallies reached the judgment that the Chinese Communist regime could not and would not break down under any circumstances.

In the subsequent grain-for-China meetings, this high-powered (but wholly illogical) December judgment had much influence. Government being Government, any judgment by any highly placed committee is always assumed to be as true as holy writ, until, as so often happens, it is proved to be laughably incorrect.

On the basis of the December judgment, therefore, the grain-for-China advocates could argue, and did argue, that "we know that the Chinese Communist system is not going to break down anyway. So nothing will be lost, no opportunity will be sacrificed, if we feed Communist China at Communist China's request. And we shall also gain by doing the big-hearted, humane thing before all the world."

The December judgment was illogical, simply because human ingenuity has never constructed a system of government which is immune to final breakdown if the government's follies, failures, and cruelties pass a certain point. This feat of political design may perhaps be accomplished in the H-bomb age, but it has not been accomplished yet, in Communist China or anywhere else. For instance, if the Chinese Communist army suddenly sides with the people, as the Hungarian Communist army did, the regime of Mao Tse-tung will come to an end, there and then.

What is more important, however, is the fact that the grounds for the December judgment have been drastically altered in the interval. Under pressure of new and better statistics from Hong Kong, the experts have reluctantly retreated (for all experts hate changing estimates) from an estimated Chinese diet level of 1,800 calories per person per day, to an estimated diet level of about 1,500 calories per person per day.

This is a difference between general misery and potential catastrophe. Furthermore, the experts are veering toward a tentative forecast of another deficient harvest in China this year, which means, if correct, that China's downward spiral will continue. Hence there is now a clear possibility (though nothing like a certainty) that the Communist regime may suffer some kind of final breakdown. In this light, the question of grain for China will be examined in a final report.

SENATOR FROM SOUTH DAKOTA

Mr. MUNDT. Mr. President, I hold in my hand the certificate of appointment by Gov. Archie Gubbrud, of South Dakota, of JOSEPH H. BOTTUM, JR., duly appointed Senator from the State of South Dakota.

The VICE PRESIDENT. The clerk will read the certificate.

The certificate of appointment was read, and ordered to be placed on file, as follows:

CERTIFICATE OF APPOINTMENT

STATE OF SOUTH DAKOTA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of South Dakota, I, Archie Gubbrud, the Governor of said State, do hereby appoint JOE H. BOTTUM a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of Francis Case, is filled by election as provided by law.

Witness His Excellency our Gov. Archie Gubbrud, and our seal hereto affixed at Pierre, S. Dak., this 9th day of July in the year of our Lord 1962.

ARCHIE GUBBRUD,
[SEAL] *Governor.*

ESSIE WIEDENMAN,
Secretary of State.

The VICE PRESIDENT. If the Senator-designate will present himself at the desk, the oath will be administered to him.

Mr. BOTTUM, escorted by Mr. MUNDT, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to him by the Vice President, and was subscribed by him.

SHARP EASING IN MARGIN REQUIREMENTS ON STOCKS CONTRASTS WITH TIGHT CREDIT ELSEWHERE

Mr. PROXMIRE. Mr. President, on Monday the Federal Reserve Board reduced margin requirements from 70 percent to 50 percent. This was greeted by many as a welcome stimulus to the stock market. However, I feel that we should put it in the context and in the perspective of all the actions of the Federal Reserve Board, particularly those in recent months.

The fact is that the Federal Reserve Board is now following a tight money policy, a policy which has resulted in the diminution of our free bank reserves from $500 million to $300 million. It is following a policy which has increased interest rates all along the line, which has created a situation which undoubtedly will result in a rationing of credit in many sections of the country.

Under these circumstances, Mr. President, it makes no sense to me that whereas the Federal Reserve Board makes it harder to borrow to buy a home, makes it harder to borrow to buy an automobile, makes it more difficult for a small businessman to borrow, it should make it easier for the speculator in the stock market to borrow.

While I recognize there is nothing sacred about margin requirements, and that they should vary, it seems to me there should be a consistency on the part of the Federal Reserve Board. If the Federal Reserve Board wishes to stimulate the economy—and I think this would be a commendable attitude on its part—it seems to me what it should do is to act in such a way as to create more bank reserves, to make credit more readily available, to reduce interest rates. It could stimulate the economy in this way as well as by making it easier for speculators who wish to invest in the stock market to do so.

Mr. President, I yield the floor.

MISSIONARY TAX RULING

Mr. BENNETT. Mr. President, I ask unanimous consent that Revenue Ruling 62–113 contained in the Internal Revenue Bulletin for July 9, 1962, be printed in the RECORD.

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

SECTION 61—GROSS INCOME DEFINED

(26 CFR 1.61–1: Gross income: Rev. Rul. 62–113; also sections 151, 170; 1.151–2, 1.170–1)

"Treatment, for Federal income tax purposes, of (1) payments made to a missionary from a church fund as reimbursement for travel and living expenses incurred in the service of his church, (2) contributions to

the church fund by the parent of the missionary, and (3) direct payments by the parent for the support of the missionary."

Advice has been requested as to the treatment, for Federal income tax purposes, of (1) payments made to a missionary from a church fund as reimbursement for travel and living expenses incurred away from home in the service of the church, (2) contributions to the fund by the parent of the missionary, and (3) direct payments by the parent for the support of the missionary.

In the instant case, the work of the local congregation in the field of missions is carried on by missionaries who are specially called from the congregation to devote their full time to missionary service for a period of specified duration and who are ordained for this purpose. The congregation has a number of missionaries presently serving missions in various parts of the world on a voluntary noncompensated basis. Some of these missionaries are supported in whole or in part by their parents, some pay their expenses from their personal savings, and some have their traveling and living expenses entirely or partially reimbursed or paid from a church fund maintained for that purpose.

The local congregation, through the contributions of its members, maintains the fund and members are encouraged to make personal contributions to the fund. All contributions to the fund are expended in pursuance of the purposes of the fund and no part thereof is earmarked for any individual.

From this fund, missionaries are reimbursed for certain qualified living and traveling expenses incurred in the service of the church where such expenses are not covered by amounts received by the missionaries directly from their parents, from relatives or friends, or from their own savings. In order to justify reimbursement for his expenses, each missionary is required to submit a monthly report listing his receipts and expenses and in no case is the fund to supply amounts greater than the reports can validate.

The taxpayer's son is one of the missionaries from the local congregation. The son is not married and has no income or means of support except for (1) amounts provided by the taxpayer and (2) the reimbursements of living and traveling expenses made to him by the church from the fund. More than one-half of the son's total support for the calendar year was provided by payments made by the taxpayer directly to him. Although the taxpayer made contributions to the church fund after the son became a missionary, he had done so over a period of years before his son's departure for the mission and he contemplates continuing to do so.

Question 1. Are amounts paid by the fund to reimburse the missionary for expenses incurred away from home in the service of the church required to be included in the gross income of the missionary?

Answer. Section 61 of the Internal Revenue Code of 1954 and section 1.61–1 of the Income Tax Regulations provide, generally, that gross income includes all income from whatever source derived unless excluded by law.

In the instant case, the missionary is motivated by religious conviction and a desire to donate services to his church. He is engaged in rendering gratuitous services to his church. Under these circumstances, reimbursement by the church to the missionary, or the direct payment by the church, of any of the expenses involved does not constitute income to the missionary but represents the repayment by the church of advances made by the missionary on behalf of, and at the request of, the church. Accordingly, such amounts are not includible in the missionary's gross income for Federal income tax purposes. See Revenue Ruling 57–60, C.B. 1957–1, 25, as modified by Revenue Ruling 60–280, C.B. 1960–2, 12.

Question 2. Are moneys contributed by the taxpayer to the fund established by the local congregation deductible as charitable contributions?

Answer. Section 170 of the code provides for the deduction, in computing taxable income, of charitable contributions, the payment of which is made within the taxable year to certain organizations described therein. Section 262 of the code provides, generally, that no deduction shall be allowed for personal, living, or family expenses.

If contributions to the fund are earmarked by the donor for a particular individual, they are treated, in effect, as being gifts to the designated individual and are not deductible. However, a deduction will be allowable where it is established that a gift is intended by a donor for the use of the organization and not as a gift to an individual.

The test in each case is whether the organization has full control of the donated funds, and discretion as to their use, so as to insure that they will be used to carry out its functions and purposes.

In the instant case, the son's receipt of reimbursements from the fund is alone insufficient to require a holding that this test is not met. Accordingly, unless the taxpayer's contributions to the fund are distinctly marked by him so that they may be used only for his son or are received by the fund pursuant to a commitment or understanding that they will be so used, they may be deducted by the taxpayer in computing his taxable income in the manner and to the extent provided by section 170 of the code.

Question 3. May the taxpayer claim a personal exemption deduction for his missionary son?

Answer. Section 151(e) of the code provides, in general, with certain exceptions relating to children who have not attained the age of 19 and are students, that a taxpayer may claim an exemption of $600 for each dependent (as defined in section 152 of the code) whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $600; but, the exemption shall not be allowed for any dependent who has made a joint return with his spouse for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins. The term "dependent" as defined in section 152 of the code includes a son of a taxpayer who, for the calendar year in which the taxable year of the taxpayer begins, received over half of his support from the taxpayer.

Since the reimbursements from the fund are not includible in the missionary's gross income, his gross income for the calendar year is less than $600. Accordingly since the amounts furnished by the taxpayer directly to his son and used for his support constitute more than one-half of his total support for the calendar year, the taxpayer is entitled to a dependency exemption for his son.

THE VISIT OF PRESIDENT CHIARI

Mr. HUMPHREY. Mr. President, recently the President of the Republic of Panama, Hon. Roberto F. Chiari, visited the city of Washington, and received from our Government the fullest honor and courtesies. He was welcomed by all. He and President Kennedy conferred with respect to problems of the Panama Canal and Panama; and, it is to be hoped, with results that may prove mutually beneficial to the two countries.

President Chiari has been a successful businessman; and this background must be of substantial value in the discharge of his high responsibilities and duties as chief executive of his nation. Like so many of his countrymen he speaks English fluently, in addition to his native Spanish. He is a man of solid traits and pleasing personality.

His father, the late Rodolfo Chiari, a popular and successful figure in the economic and political life of Panama, was President of the republic in the early 1920's. This is the only instance in the history of the Panamanian Republic in which father and son have each been elected to serve the constitutional term of 4 years as President.

Advisers accompanying the incumbent President on his visit included don Ricardo M. Arias, former President of Panama, and the chief contender against President Chiari in the election of 1960.

While in Washington President Chiari delivered an interesting and timely address before the Organization of American States touching the solidarity of the American nations, and the policy which should be pursued by it in dealing with dictatorships.

I ask unanimous consent to have printed in the RECORD the indicated address, together with an editorial commenting thereon, appearing in the Star & Herald, of Panama, on the 16th of June.

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

ADDRESS OF HIS EXCELLENCY ROBERTO F. CHIARI, PRESIDENT OF THE REPUBLIC OF PANAMA, AT A SPECIAL SESSION OF THE COUNCIL OF THE ORGANIZATION OF AMERICAN STATES, HELD IN HIS HONOR AT THE PAN AMERICAN UNION ON JUNE 13, 1962

Mr. Chairman, members of the Council of the Organization of American States, Mr. Secretary General, ladies and gentlemen, I most sincerely thank you for this homage you have arranged in my honor and the cordial words with which the chairman has given me such friendly welcome. Because of them, I shall never forget this pleasant visit that, as President of the Republic of Panama, I have had the good fortune to make to this central headquarters of the inter-American regional system.

One cannot come here without immediately receiving the strong and lasting impression that the unity of the American nations is not, should not be, and cannot be a fiction, for here the ideals and aims common to all of them become an objective reality. One gets the impression, at the same time, that those ideals and aims mark the only path of solidarity and cooperation that can lead these nations to the greatest prosperity and happiness for each of them within the framework of the greatest cohesion, assistance, and security for all as a united hemisphere in the midst of the convulsed, politically unstable, and economically dislocated world in which we live. That world around us is putting to the test mankind's ability to achieve, on a stable, permanent basis, a better and more dignified life for all human beings.

The task is not a simple one and all of you are reliable witnesses to the problems and conflicts that present themselves every day and of the difficulties and obstacles that must be faced in the necessary effort to find solutions for them that will not only be just but that will manage to maintain or reestablish sincere harmony, with the crises that had to be faced and the vehemence and acrimony of the debates forgotten.

The changeability of political, social, and economic phenomena and the ceaseless flow of history make ideas that were taken as dogmas yesterday lose authority today or to-

morrow, or make concepts that have acquired definitive solidness evolve in their ideological content, in the interpretation of them, or in the results of their application in an environment of circumstances changing in time or in space.

The Americas give us many examples of this disturbing reality, but this fact, rather than discouraging us, should encourage and stimulate us to excel, just as the storm tempers the character of the sailor and inflames his determination to dominate the elements that are threatening to annihilate him.

During the wars for independence, it was common for the peoples to help each other in the struggle to free themselves from the colonial yoke; and it was common for the armies to cross frontiers to come to the aid or comfort of their brothers who suffered reverses in the battle for freedom.

Once the independence of the new nations that emerged from the overthrow of the Spanish colonial system was consolidated, the universal principle of self-preservation made new doctrines arise that would insure the integrity of the personality of each of them and the inviolability of their independence and sovereignty. These doctrines served as measures of common defense first against any attempt at colonial reconquest; then against territorial expansion of stronger nations against their weaker neighbors by force; and also, against U.S. political expansion in certain regions during the period of the now discarded policy so well described as that of the "big stick."

This was how two fundamental principles began to appear that rapidly became keystones of the inter-American regional system: the principle of self-determination of peoples and that of nonintervention.

These are principles that, after having acquired definitive standing in American international law, have gone on to become basic standards in world law.

But time does not halt its march and evolution follows its course, which is not always creative and often is destructive.

Thus we are already, not without disturbing doubts, seeing these basic principles of nonintervention and self-determination of peoples drifting toward a new formula of eyes shut and hands off, which were not exactly their original meanings.

This new formula would seem to be leading, and we have already seen examples of this, toward an almost complete indifference to the fate of brother peoples who, within their own boundaries, are deprived by force of all chance for self-determination, and for whom the principle of nonintervention, carried to its most extreme interpretation, becomes a universal condemnation to live forever subject to the oppression that incurably afflicts them.

It is necessary carefully to review these concepts in order to find clear definitions for them that, while reaffirming their primary philosophical bases, would not close the door to possible collective measures intended to assure all the peoples of the Americas, within their own boundaries, of their freedom, their right to control their own destiny, and their right to reestablish, when they have been deprived of it by force, the rule of representative democracy, which is the essence of the American regional system.

Political problems, without any doubt, rest on economic problems, and it is impossible to solve the former without first finding an adequate solution to the latter.

So long as there are peoples and communities that live at an economic sublevel of miserable bare subsistence; so long as the economic and social level fails to provide every man, woman, and child with the means to lead a healthful life; so long as the cultural and educational level fails to give every individual the means to obtain the basic training he needs to earn his living in accordance with his vocational aptitudes; so long as the farmworkers; lacks the tools necessary for a level of production that would make it possible for him to live decently and lack access to markets where he can sell his products at reasonable prices; so long as the city worker lacks opportunities for employment and wages that would make it possible for him fully to meet his own needs and those of his dependents; so long as a small class controls all the wealth and the masses of the people are deprived of minimum decent conditions for living; so long as these things persist in Latin America there can be no stability in political institutions, and the germ of rebellion, of sedition, and of subversion will be there, latent, waiting for the propitious moment for the outbreak that will offer the people hopes of obtaining something that is promised them even though it may seem illusory, when they are convinced that they cannot hope for anything from the regime that they rightly hold responsible for their misery and desperation.

In this hour of uncertainty, of urgency, and of pressure, the Alliance for Progress has arisen as a torch of hope. Its goal is the raising of the economic, social, and cultural levels of the Latin American peoples. All the needy and the disinherited of the hemisphere have put their faith in it. The present governing classes bear on their shoulders the responsibility for seeing that it does not end in a noisy and sorrowful failure, and they must not expect mercy when the masses of the people exact such responsibility from them.

Let us pray that the Alliance for Progress, through the combined and coordinated effort of all, will result, as it must and as there is no valid reason why it should not, in the longed-for dawn of the redemption of the Latin American masses.

Mr. Chairman, members of the Council, Mr. Secretary General, I want to take this solemn occasion to reaffirm the Republic of Panama's faith in the Organization of American States; to pledge all our efforts to make this institution, which is a symbol and synthesis of the purest ideals and aims of the hemisphere, ever more efficient, fruitful, solid, and strong; and to voice fervent hopes that it will always meet with success in the noble mission it is called upon to fulfill.

Finally, I want to express again my deep appreciation for this meaningful ceremony with which you have honored me, for which the Government and people of Panama also thank you.

Thank you very much.

CHIARI SCORES RESOUNDINGLY

President Roberto F. Chiari, placed a burning finger on a running sore in Latin American politics which has been negating the right of the people of certain Latin American Republics to be as nationally free and independent as they are internationally free and independent when he warned that "the principles of nonintervention are being interpreted under a new formula of eyes shut and hands off."

This interpretation, the President of Panama told a special session of the Council of the Organization of American States (OAS), is leading the American world toward an almost complete indifference regarding "the fate of our brother people."

As an example of the damage which this indifference is causing, President Chiari pointed to the fact that there are people who, within their own boundaries "are deprived by force of all chances of self-determination and for whom the principle of nonintervention has become a universal sentence to live forever subject to the oppression that incurably afflicts them."

Our President is to be congratulated for having had the courage to speak out loud and ringingly a conviction which must undoubtedly have been evident to many of Latin America's leading statesmen, but who, because of partisan or nationalistic reasons, preferred to remain silent.

It is the current insane policy of eyes shut and hands off, as regards nonintervention by one American state in the affairs of another American state, that prevents action to straighten out the internal conditions, now working to the detriment of the integrity and dignity of the people of those Latin American nations which are saddled with a dictator who seeks to rule forever, and in some cases who even dares to designate a successsor who would serve as a rearguard defense if things ever got too hot while he made good his escape to some other country to evade possible punishment by the people he had ill treated for so long when his power was unchallengeable.

Very often we have heard the question asked by fleeing and despairing citizens of some country under the iron rule of a dictator, as to why the United States does nothing to put an end to the disgraceful conditions existing in their dictator dominated country. Invariably we have heard them reminded of the fact that there is a convention whereby the Western Hemisphere nations, at a Pan American meeting held in Montevideo, agreed that intervention by one American country in the affairs of another American country was forever banned and that the United States was a party to that convention and therefore could only look on and pity those who the nonintervention principle had abandoned to the merciless exploitation of the clique favored by the new order.

Since that convention went into effect there has been epidemic of dictatorships throughout Latin America and new millionaires have been moving out of the ranks of the politicos to emigrate from those countries where they had exercised political preeminence, to settle down as moguls in some fashionable European resort, with an inexhaustible bank account, accumulated by magic. While the people of the country they deserted, are being torn and sundered with revolutions as the ambitious underlings they left behind sought to take over command of the nation in order to dispose of what was left in the depleted national treasury. This is possible only under the eyes shut and hands off policy that prevails.

PROPOSED MAMMOTH CAVE PARKWAY

Mr. COOPER. Mr. President, there is pending before the Senate, S. 2474, introduced by me in the 87th Congress on August 28, 1961, and referred to the Committee on Interior and Insular Affairs, and which provides for the appropriation of a sum not exceeding $175,000.

Its text follows:

A bill to provide for an appropriation of a sum not exceeding $175,000 with which to make a survey of proposed national parkway extensions or connections to Blue Ridge Parkway, Great Smoky Mountains National Park, Foothills Parkway, Mammoth Cave National Park, and Natchez Trace Parkway, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a sum not exceeding $175,000 is hereby authorized to be appropriated out of the Treasury of the United States, to be used by the Department of the Interior through the National Park Service and by the Department of Commerce through the Bureau of Public Roads, with which to make a survey, now directed, of the route of proposed national parkway extensions or connections to Blue Ridge Parkway, Great Smoky Mountains National Park, Foothills Parkway, Mammoth

Cave National Park, and Natchez Trace Parkway. An estimate of the cost of construction of an appropriate national parkway, comparable with the Blue Ridge Parkway and the Natchez Trace Parkway, over the indicated route, together with such other data as may be of value, shall be obtained through the said survey, hereby authorized, for the purposes of determining the feasibility and desirability of constructing the proposed national parkway, or any portions thereof. Final report of such survey, accompanied by full information and data, with recommendations, shall, at the earliest possible date, be made and submitted to the Congress of the United States for its consideration.

If the measure is enacted, a sum not exceeding $175,000 will be authorized, through the Department of Interior by the National Park Service, and through the Department of Commerce, by the Bureau of Public Roads, to make the indicated survey for the proposed national parkway. This is procedure recommended by the National Park Service and the Interior Department in dealing with national parkway proposals. If such report is favorable, there usually follows the enactment of legislation specifically authorizing the establishment of the proposed national parkway, with a prescribed route, conditions which must be made, together with authorization of required appropriations.

The proposed parkway might, at least for the present, and for the sake of convenience, be called the Mammoth Cave Parkway.

It would extend from the northeastern line of the Great Smoky Mountains National Park in North Carolina and Tennessee via the Lincoln Birthplace Farm at Hodgenville, Ky.; Mammoth Cave National Park, to Natchez Trace Parkway, to some point south of Nashville. The proposed parkway would close the gap in the present parkway system between Great Smoky Mountains National Park and Natchez Trace.

This would make a total of something like 1,400 miles of national parkway, beginning at Front Royal, Va., and running southward over the crest of the Blue Ridge Mountains in the Shenandoah National Park to a point south of the southern boundary of that park; and thence about 471 miles via Asheville, N.C., to the western boundary of the Great Smoky Mountains National Park; thence, probably, through eastern Tennessee to Cumberland Gap National Historical Park; and thence by way of Cumberland Falls, Lincoln Birthplace Farm, Mammoth Cave National Park in Kentucky; and thence to Natchez Trace Parkway, south of Nashville, Tenn.

On April 9, 1962, a hearing was held on this bill before the proper subcommittee of the Committee on Interior and Insular Affairs. Representations in behalf of the bill were made by a former member of the House of Representatives, Maurice H. Thatcher, of Kentucky, president of the Eastern National Park-to-Park Association and vice president of the Mammoth Cave National Park Association. I also testified in behalf of the measure, the enactment of which I most earnestly favor.

In Congress, some years ago, Mr. Thatcher introduced and brought about the enactment of the bill providing for the establishment of the Mammoth Cave National Park. He has long been an earnest conservationist and advocate of the proposed parkway.

Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD, the text of Mr. Thatcher's testimony before the subcommittee.

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

TESTIMONY OF FORMER CONGRESSMAN MAURICE H. THATCHER AT THE HEARING ON S. 2474, BEFORE SUBCOMMITTEE OF SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, ON APRIL 9, 1962, RE DISCUSSION OF PRELIMINARY SURVEY OF NATIONAL PARKWAY PROPOSAL UNDER ACT OF CONGRESS

Mr. THATCHER. May I interject that I think the act of Congress is appropriate because of these other departmental connections. While the National Park Service has certain discretion in the use of certain funds, it might require an act of Congress to compose the situation as between the Department of Commerce, the Department of Interior, and the Department of Agriculture. I think, myself, that is the fact; that Congress should act so as to tie all these Departments together and get these amendments in with the inclusion of the agricultural amendment that has been proposed more recently.

It is not exceeding $175,000. It is not a lump sum of $175,000. It is not exceeding that amount. That figure was the estimate that was arrived at after consultation with Mr. Wirth, the National Park Director. He thought that would be ample to cover the maximum requirements.

So, I think, it is necessary to have an act of Congress. I suppose in the recent enactment by the Congress concerning the extension from Great Smoky Mountains down toward Atlanta, of 150 miles of suggested parkway, congressional action was considerd necessary. That is comparable to the present proposal, exactly.

Senator BIBLE (chairman of subcommittee). I suppose the plain truth of the matter is that if this becomes law, it gives a higher priority to the project than if you simply rely on existing authorizing language in a general act that authorizes the Interior and the Congress to proceed.

I suppose you give a greater dignity and weight and priority to this project. If this becomes law then you are going to stand a better chance of securing an earlier appropriation than if this did not become law. I think that is what it boils down to.

Mr. THATCHER. That all enters into it.

Senator BIBLE. I have no further questions.

Senator LONG. I am very much in favor of developments of this kind, but I just wondered about the statement made in regard to the attitude of the Budget Bureau.

Mr. THATCHER. May I say there has been a recent change in attitude. I think the National Park Service has always been friendly to this project. I may say that I have no interest except that of a purely public welfare character. I pay my own expenses on these matters, and never think about reimbursement, because I am interested in the national park situation. In 1931, I organized the Eastern National Park-to-Park Highway Association, and have been its president ever since. It approves this proposed legislation. Also, I am a vice president of the Mammoth Cave National Park Association, which has likewise approved the proposed enactment.

As Senator COOPER said, I was the author of the legislation that created the Mammoth Cave National Park in Kentucky. After that I organized the indicated Eastern National Park-to-Park Highway Association—informal in character—and I had a meeting here in April 1931, and proposed, and there was adopted by representatives from Kentucky, North Carolina, including Senator Bailey, and from other affected States, a proposal for an Eastern National Park-to-Park Highway, linking up historic routes, scenic and historic, 2,400 miles, through Tidewater Virginia, Yorktown, Jamestown, Washington, Shenandoah National Park, and on to Kentucky, the birthplace farm of Lincoln and the Mammoth Cave National Park, and down to the Great Smokies and back to the Natural Bridge, and thence to the beginning at the National Monument in Yorktown. That was not a Government authorization, but it had the informal approval of the National Park Service.

At that time I was deeply interested in connecting the National Parks by established highways which did pass by or through scenic and historic spots. They were largely the fruition of the old buffalo traces because the buffaloes were the best engineers. They took the lines of least resistance. These roadways on this map that was made by the National Park Service at that time indicate the picture. I will file that.

Senator BIBLE. This may be made a part of the record.

Mr. THATCHER. The proposed parkway in Tennessee and Kentucky passes through outstanding areas of beautiful scenery and historic values, with notable State parks en route.

There has been no Government expense attached to that, at all. After we agreed on it, all that was necessary to do, of course—Mr. Albright, then National Park Director, was present at that meeting—we undertook to have the highway commissions to build up those roadways to proper standards. That has pretty well been done. This proposed national parkway is entirely different because it is not commercial. These are commercial roads.

The park-to-park parkway system is a wonderful system. In 1953, following this action, and because of the Blue Ridge Parkway development, it seemed to me that we ought to have a connection to close this gap between the Great Smoky Mountains National Park and the Mammoth Cave National Park, and the Shenandoah, the three great national parks now established, and then to Natchez Trace Parkway which had been authorized and which would give us approximately 1,400 miles of continuous parkway without trucks and without hotdog stands and billboards anywhere along the way. It is a wonderful thing to connect the National Park System in this way. The Skyline Drive through the Shenandoah National Park is 105 miles in length; the Blue Ridge Parkway 471 miles; the proposed parkway about 350 miles; and the Natchez Trace Parkway 451 miles.

I think ultimately if we are to survive as a Nation, that all the national parks should be thus connected. It is for pleasure, entertainment, and for instruction in the historic values and natural beauties of the country, that we have established our national parks. There is nothing like a national parkway because it is exclusively for passenger traffic, with its own landscaping and the protection of the highways against billboards, commercial enterprises, and distractions of that sort. It does seem logical that we should have this extension made, 350 miles through Kentucky and through Tennessee. Both ends of it will be in Tennessee. Tennessee is also interested. It would make a continuous distance there of something like 1,400 miles and would serve a great purpose.

I think there is an awakening in this country, certainly on the part of the administration, to increase our national parks, our

national monuments and our national parkways.

In 1953 the first bill was introduced. I drew that bill because I was a friend of the idea. Congressman ROBISON, one of my successors, introduced it; the Bureau of the Budget never cleared it. I think it had the good will of the National Park Service, which, I believe, has always felt kindly toward the proposal because they believe it is a natural evolution. It was never cleared with the Budget Bureau, until recently.

Mr. SILER later introduced the bill in the House and Senator COOPER, in the Senate—identical measures. Through the years we have had bills, beginning in 1953, dealing with this question. Now there is a more liberal attitude on these matters, and we feel that the time is ripe for this action to be taken. This survey has to be made and all the elements have to be considered and then the recommendation has to be made. I hope that it may be favorable. Then after that, the Blue Ridge Parkway should have been completed by the time this survey is made, if it is made; and the Natchez Trace Parkway will be practically completed; and then there might be available funds for this proposal, if Congress so determines. Then Congress will determine the whole question on its merits. I think this survey should be made for this purpose, and I think it is logical that these national parkways should be provided. Thereby travel to the national parks will be greatly increased, with resulting benefit to all.

When I was in Congress, the Lincoln birthplace farm had been taken over in 1916 by the Federal Government when Mr. Wilson was President, with the assurance that the Government would maintain and improve it. The Government never spent a dollar on it for improvements.

The Lincoln Farm Association conveyed this property, 110 acres, to the National Government by deed. The National Government accepted by an enabling act. It was not broad enough to provide for improvements and maintenance. The result was that in the 10 years that followed, the Lincoln farm grew up in bushes and briars. All the underground region, which is cavernous, was choked and overflowing. It was a national scandal. There was a memorial built by the schoolchildren, under the auspices of the Lincoln Farm Association, which houses the traditional cabin in which Lincoln was born, on the well-known spot above the Lincoln spring. I introduced a bill authorizing the appropriation of $100,000 to redeem that long period of neglect, and obtained its enactment.

I wrote into that bill the provision that henceforth the authority is for Congress to make all appropriations necessary for the care, maintenance, and improvement of this national shrine. This was in addition to the $100,000 to build the roads, comfort stations, pavilion, and the simple accessories that were needed, and the roads from the highway (U.S. 31–E). There was no paved road into the farm from the public highway. People mired up there constantly, in the mud. In the plaza, where the flag is displayed, there was muck, 10 inches deep; but it is all paved now, with all needed structures, native stone walkways, cleared surface, and undergrounds reamed out: all done under the indicated $100,000 appropriation, and converted into a place of beauty. The work was done under the War Department, by the Quartermaster General's organization. The farm is open to the public, free; and with paved parking facilities and all other accommodations provided, hosts of people visit the farm throughout the year. The whole is administered by the National Park Service. The birthplace farm is located on the proposed parkway, as shown by the map I am submitting. Proponents earnestly hope that—if and when authorization is given for the survey—the national park at Cumberland Gap—so greatly historic—Cumberland Falls and Cumberland Lake, and other beauty and historic sites, with State parks en route, will be on the parkway route recommended by the National Park Service. The true mission of a national parkway is to connect national parks and monuments, with reasonable accommodation as to scenic and historic areas and sites.

Mr. Chairman, I have some figures which I would like to submit, contained in a letter to me—with the same to Senator COOPER—dealing with existing national parkways, written by the National Park Director's office.

Senator BIBLE. The letter to which you refer will be made a part of the record, Mr. Thatcher.

I think you have made a fine showing on this. I think we have a very full record on it.

Mr. THATCHER. It is a most wonderful thing; and we say, gentlemen, eventually it is bound to come, and why not now? It takes some time to make a survey, and then to construct a national parkway.

Senator BIBLE. Surely.

Mr. THATCHER. We can trust the National Park Service to do that fairly and equitably—the survey. They have to consider the question of donations of land, the question of purchase of lands. All these things enter into the picture for consideration. When the survey is made, if it is favorable, then Congress can pass on conditions that should be imposed. As regards the Mammoth Cave National Park, I participated in the campaigns to raise the funds required to buy the needed lands and cave systems. I went before the joint session of the Kentucky Legislature after the Mammoth Cave National Park bill was enacted, and I spoke in behalf of a proposal for State funds for the indicated purpose. Senator Logan, who was then attorney general, also spoke in support of the proposal. He was from the Green River region, as I was originally. Thereupon the legislature voted $1.75 million for the project. We raised, also, a million dollars by private donations. With the $2.75 million, thus raised, we bought the lands and cave units required, and they were donated to the U.S. Government for national park purposes. I wrote and obtained the enactment of the enabling act of Congress. I also wrote the act whereby the Kentucky Legislature ceded the State's police power over the areas involved, and did other things of that sort. So, I have been all through this from the beginning. This is my sole interest, because I am concerned about the adequate development of the national park projects of the Nation; and I am also deeply interested in tying together the national parks of the Nation with an adequate system—as an ultimate goal—with adequate connecting parkways as means for transportation so that they may be truly enjoyed in safety and comfort, and in pleasure. That is the purpose of the National Park System.

Senator BIBLE. Thank you very much, Mr. Thatcher. You have made a very effective witness. I know of your continuing interest in this parkway problem, and your earlier interest when you were in the Congress on the problem of national parks, monuments, and highways. Your testimony will be very helpful. We will see if we can't move this forward.

Mr. THATCHER. May I file some things in corroboration of what I say?

Senator BIBLE. Yes, the record will be kept open for anything you may wish to add or amend.

Mr. THATCHER. I have tried to cover it in a general sort of way. I am filing, also, exhibits M. H. T. 2, 3, 4, 5, 6, 7, 8, 9, 10, which are self-explanatory.

Senator BIBLE. I think you covered it very well. I am going to call one witness from the National Park Service, and you might like to hear him. We assume that all of the departments are friendly to this idea because they have all acquiesced in it. All of the reports have been made a part of the record.

Mr. THATCHER. The bill before you now (S. 2474) requires one amendment, and that is the one suggested by the Department of Agriculture; and that is acceptable to proponents of the bill if it is acceptable to the Interior Department, and I suppose it is simply for the purpose of harmonizing the situation growing out of the fact that there are different controls of public lands which may be involved.

Senator BIBLE. It is certainly good to see you, Congressman Thatcher.

Mr. THATCHER. Thank you, Senator BIBLE.

Senator BIBLE. It is certainly good to see you. I think it is a fine thing when one who spent as many fine years in Congress keeps up his interest in governmental affairs after you have retired. This is what keeps you young.

Mr. THATCHER. That is one of the things that kept me in Washington; national parks and Panama Canal and isthmian matters.

Senator BIBLE. Thank you very much.

Mr. THATCHER. Thank you very much, sir.

Senator BIBLE. It is nice to have you here this morning.

Mr. THATCHER. I have drawn a map which I will file and my map is approximately the same as this map as to route A, which is the route by Cumberland Gap National Historical Park. A shorter route starts near Gatlinburg. The other one—which proponents hope to see approved—starts at Cosby on the Foothills National Parkway which is 51 miles long and the construction of which has just begun, as I understand. It extends along the foothills, about 51 miles, and there are only a few miles constructed. They are working on that. Our preferred route ties in with the Foothills Parkway, and then makes the extension. In that same connection, if I may add, the Blue Ridge Parkway was an industrial recovery enterprise, you might say. It was with that idea in mind. So was Natchez Trace Parkway.

There are in Tennessee and eastern Kentucky distressed areas caused by the coal situation there. That would only be an incidental consideration, but it is important; and contains an element considered in the Blue Ridge and Natchez Trace enterprises.

Kentucky is an outstanding national park State, and has a most important system of State parks; and it pays to the U.S. Government very heavy excise taxes on liquors and tobacco. These are supporting considerations for the present proposal.

Senator BIBLE. But it would be something to consider.

Mr. THATCHER. It will be in line with the National Industrial Recovery Act purposes. It goes through regions that really could be helped in this construction—if it is ultimately made.

Senator BIBLE. Thank you very much. I have no further questions.

TRIBUTE TO THE LATE DEAN A. L. STONE

Mr. METCALF. Mr. President, 17 years after the death of Dean A. L. Stone, beloved head of Montana State University's School of Journalism, journalism school graduates everywhere, who were fortunate to have known the dean, still recall with love and affection his wise and generous counsel.

For most, the memory of Dean Stone means classes in the well-known "Shack," built during World War I days, with the wind and snow from Hell Gate

Canyon seeking out the cracks and chilling the hands and feet of the embryo journalists. For others, it brings a memory of the dean in his office on the second floor of a shining new journalism school some 20 years later. For still others, it brings a memory of a very kind, a very understandable, lovable, and inspiring gentleman of the old school, complete with flowing black tie, who gave unceasingly of himself. When he died in 1945, he left behind an inspiration and a memory which will live on for all Montana journalism school students, past and present.

It is appropriate that a 1919 graduate of this same journalism school, Clarence K. Streit, Rhodes scholar, distinguished author and four times nominated for the Nobel Peace Prize, should deliver this year's seventh annual tribute to the dean with his address, "The Press, Atlantic Union, and World Peace." I commend his tribute to my colleagues, to all the dean's students wherever they may be and to everyone concerned with freedom of the press, and I ask unanimous consent that the tribute be printed in the RECORD.

There being no obligation, the tribute was ordered to be printed in the RECORD, as follows:

DEAN A. L. STONE ADDRESS: THE PRESS, ATLANTIC UNION, AND WORLD PEACE

(By Clarence K. Streit)

THE PROBLEM

Everyone, it seems, favors freedom of the press—yet everyone wants to control the press. Even the editors and reporters do.

As an old reporter and foreign correspondent I want to testify that not only sound instinct but hard experience has prompted newspapermen to insist on free and equal dissemination of news throughout the world as an essential to peace.

Of course, as every reporter and editor knows, when you print the facts freely you very frequently make someone fighting mad; you can get anything but peace by printing the news freely. I have gotten into trouble more than once that way myself—ranging from the time the Rumanian Government expelled me in 1927 because of my dispatches to the New York Times, all the way back to the time when, as editor of the Missoula County High School paper, the Konah, I printed an editorial denouncing the sophomore class for having gone on a sleigh ride the night when I thought they should have been out rooting for the basketball team.

The widespread desire to get opinion and news freely printed is pretty much like the widespread desire for an international police. Everyone wants to get the other fellow policed, and everyone wants to read all the lowdown about him, too—but a good many lose their enthusiasm when it comes to being policed themselves, or having the lowdown printed about themselves, or opinions contrary to their own.

Nonetheless, I am convinced that free news is essential to peace. Indeed, I would go further; I would say unhesitatingly that I value freedom of the press even more than peace, and you know how highly I value peace.

One of my major purposes in writing "Union Now" was to advance the freedom of the press. I would sacrifice peace to secure the freedom of the press—and free, above all, from government control. I know of no surer guarantee of peace than to have the press free in every civilized country. But I also know, as does every experienced newspaperman, that we are very far from that goal now.

First, let us face the fact that in most countries the press is not and never has been long free from government control, direct or indirect. This control results primarily from the tremendous importance of the press to those in power. As a rule, the more a country is exposed to danger, the more important the press becomes to the government and the more liable the government is to control the press. Thus, during the past war, the press lost some of its freedom even in the most democratic countries, and more in England, which was closer to the enemy, than in America which was farther away.

Secondly, there are certain countries which not only have never enjoyed a press free from government control but whose ruling philosophy insists on government ownership and operation of all the communication media.

THE LESSON IN 1944

What to do when you face—as we do now in Russia—a formidable power that is a one-company, one-newspaper nation, and is determined to "bury" us, and confident our grandchildren will be Communists? Various ideas have been proposed. One of the first to come to naught was a proposal in 1944 by the heads of the Associated Press and the United Press—then respectively Kent Cooper and Hugh Baillie—that the United States seek to get all other nations to sign a "free news treaty" with us, pledging free and equal dissemination of the news as a prerequisite of peace. I opposed it at the time on the ground that even if signed it would prove to be "a dangerous delusion." Since this delusion has persisted, although it has taken various other forms, let me quote from a talk I gave on the subject on September 29, 1944:

"Suppose that the free news pledge is signed by all the nations, even the governments that allow no freedom of the press at home and that uphold the principle that the government should own and control all the press. What is the result? Will those governments really give foreign correspondents, our correspondents, a freedom that they refuse to allow their own people? Will they allow their people to talk as freely and safely to our correspondents as we allow our people to talk to their correspondents? If not—if the correspondent cannot get news freely, or report it without endangering the life and liberty of his news source and meeting himself all sorts of artificial difficulties designed to make his further work impossible and cause his paper to recall him—if that is the real situation, then where is the reciprocity in the agreement, and what is its value?

"The heart of the matter

"Here is the heart of the matter: There is simply no way in which the press can freely tell the American people of the true state of affairs in our country, and what our Government is doing or planning, without all the rest of the world knowing everything that we know. There is simply no way for the British press, or the French press, to tell the British and the French people the true situation in those countries, and what their Governments are doing or planning, without every potential enemy knowing as much as they or we know.

"That is why a free press and free news can be a most effective engine for peace. The freer the press is in any country, the less possible it is for that country or its government to launch or to prepare to launch war against any other country, least of all the only kind of aggressive war that needs to be feared in these modern times—surprise attack.

"But the other side of the medal is this: This situation dangerously exposes the free press countries to aggression by other governments whose control of the press allows them to conceal what they are really planning, allows them to prepare a surprise attack as the Nazis did, and the Japanese did.

"A reasonable guess

"I do not know from what country aggression may next bring war upon the world, but I am willing to wager that the aggressor government will be a government that controls the press of its country even in peacetime.

"Even in the best conditions the danger remains. We have fought on the same side with countries whose government controls the press, where we have all the ties of alliances and comradeship in war to help us work out our relations with them peacefully, where we have the greatest hope that government control of the press may gradually give way to freedom of the press. Even there, I would warn you as earnestly as I can that we are dangerously discouraging freedom of the press in those countries, and dangerously encouraging every aggressive element in them, to gain control of those countries, when we leave the free press democracies divided into sovereign nations, when we fail to unite their power behind their free press as only a common federal union government can unite it.

"Let me remind you that in World War I, Italy and Japan were our allies, as Soviet Russia is in this war. I would say that the divisions among the Americans, British, and French contributed decisively to deliver Italy to the fascists—I was Rome correspondent of Philadelphia's Public Ledger when Mussolini entered that city. I also saw how the divisions among the three great democracies helped decide in favor of the militarists in Japan the struggle between them and the Japanese newspapermen I used to know in the twenties who were struggling for freedom of the press in Tokyo. I would add that these same divisions contributed decisively, too, to deliver the free press of the Weimar Republic in Germany to the Nazis.

"If we are to avoid once again not only losing the peace but seeing even our Allies in one war become our enemies in the next war, if, for example, we are to encourage—as I certainly would—everyone in Soviet Russia who would free the press and live with us in peace, we had better cease to identify the freedom of the press with decision, and weakness and anarchy. We had better identify it with the power that comes from free union.

"How does division of the free press democracies into sovereign nations encourage militarism abroad? Take the case of Japan. After World War I we sought peace by a naval disarmament treaty based on the theory that we could gain peace by dividing equally the naval power of the Americans and British, and giving the Japanese a lower quota, and the French and Italians a still lower one. Those were the days of peace by the 5–5–3 ratio in naval power—five for us, five for Britain, and three for Japan. The result was that the militarists in Japan could hope (a) to build up secretly to greater naval power than either America or Britain, and (b) to keep the two divided and tackle them separately, or to tackle one when the other was engaged in war in Europe. And that is exactly what happened.

"Had we sought peace in 1920 by uniting the naval power of the democracies, had the ratio been not 5 to 3 but 10 to 3, or 12 to 3—as it would have been by combining the power of the United States, Britain, and France in a federal union of the free—there could have been no such hope to encourage militarism in Japan.

"Look at the matter from another angle. Change the date from 1920 to 1950 and change the Big Three from America, Britain, and Japan to America, Britain, and Soviet Russia. Picture them engaged in the poker game of diplomacy. Picture a poker game in which Uncle Sam and John Bull have all their cards on the table.

"Why? Because they have a free press, free speech, free elections, congressional or parliamentary check on the Executive. Because their people are accustomed to knowing—and want to continue knowing—how the Government spends their taxes, and how it is planning to keep them out of war. We, the American people, cannot know this without the British Government and the Russian Government, and everyone else, knowing as much about our cards as we do. The same is true of the British people. But it is also true that neither we, nor the British, nor anyone else, can have a better knowledge of the Russian Government's game than the Russian people have.

"And so an attempt to secure our free press and other freedoms peacefully through a Big Three setup is like a poker game in which the cards of Uncle Sam and of John Bull are visible on the table, with the searchlight of the press playing on them—and even up their sleeves and under the table to see that nothing phony is going on, and trying, with no real success, to reach that end of the table where the master of the Soviet press sits with his cards hidden in his hand."

THE CHALLENGE AND ANSWER

Such was the picture of 1950 that I painted in the 1944 speech I have been quoting without change—except for some obvious interjections—and you remember what happened in 1950: the surprise attack on Korea.

We have sought to save our great stake in this deadly poker game by trying to get the master of the Kremlin to play with his cards, too, on the table. When we failed to get him to pledge free dissemination of news, we tried other similar but weaker moves—such as the "open skies" proposal that once made such hopeful headlines though it offered us nothing more in information than a swift bird's-eye view of the surface of vast Russia. We have acclaimed as great successes getting a Nixon talk or a Kennedy speech heard or printed in Russia—in a lopsided exchange for all the space our press gave the master of the Kremlin in exclusive interviews that so many correspondents have prided themselves on—plus the inevitable blaze of publicity our press invariably gives Mr. K. on his trips here.

We have tried all sorts of ideas and tricks aimed at getting the master of the Kremlin to unveil at least a part of his hand—methods as superficial as trying to cure smallpox by putting salve on the pocks. They soothed momentarily, they diverted our attention from the real cure, and, whatever the progress they seemed to make at the time, they left us always in worse danger. How to meet such a challenge? Let me give the answer I gave in 1944:

"I know of only one way to play safely a game where you have to spread your cards on the table and the other man doesn't. It is to have so strong a hand that nothing can possibly defeat it. To put such strength behind our free principles is a matter of life and death to them, and to us and our children. How can we do this? By ceasing to leave the cards of the democracies divided among a dozen sovereign nation players, by ceasing to play their aces against each other, by putting their cards together in one hand played by a Federal union of their sovereign citizens."

A free Atlantic community

I pointed out then that by uniting our power under a common Federal Atlantic government merely for such common purposes as the defense of freedom of the press, the free Atlantic community would have an unbeatable hand—all four aces, and the joker. And at the end of the war, with much of Russia destroyed, and the United States holding an atomic monopoly, an Atlantic union would have held the ace of clubs (military power), the ace of spades (industrial power), the ace of diamonds (raw material power), the ace of hearts (moral and prestige power) and the joker—the power to expand all these powers by admitting other democracies to the union.

Clearly, the free Atlantic community does not have as great relative power now as it had when the war ended. Why? Because, instead of federating the free, we tried first to gain peace and freedom by the curious idea—once more popular than it is now—that the way to establish law and order was to unite the bad men with the vigilantes and their children, all on an equal basis, in a Virginia City that girdled the globe, called the United Nations. Henry Plummer would have relished this extension of his famous Montana system for getting the law-abiding to strengthen the hand of the lawless. A little following of the old trails, which Dean Stone, the man we are honoring tonight, loved to write about, sufficed to keep some of us from being surprised when the United Nations proved ineffective, and the United States had to supplement it with a separate vigilante organization of the North Atlantic democracies, known as NATO. But this was merely uniting them in a military alliance—and alliances, as General Eisenhower pointed out in his first report to NATO in 1952, "throughout history have been weak and notoriously inefficient."

The resulting weakness has not yet led us to try to gain by our own free Federal principles the unbeatable hand we need in order to win with cards democratically face up. Instead this weakness has led us to try to win by trusting to the dictator's system rather than our own—and turning down our cards too.

Some of our mistakes

Though we have been doing this only little by little, we are doing it more and more. To defend our free rights from Communist invasion we have let our own Government increasingly invade those rights itself. We have already gone so far in adding to the power of the military and the industrial brass which go hand-in-hand in modern times that even General Eisenhower's farewell advice when leaving the White House stressed the grave danger to democracy that is inherent in this.[1] We have also drifted increasingly toward relying for salvation on such things as secrecy and spying which are as fatal to freedom as they are essential to dictatorship and characteristic of tyranny. Let us at least cease fooling ourselves, and recognize that in adopting these practices we are copying dictators—not our Founding Fathers.

True, one must sometimes fight fire with fire, but we have already had occasion to learn—with the U–2 and Cuba, for example—that we can burn ourselves that way more than we do the enemy. How badly must we burn ourselves before we fight fire with less dangerous and despotic means?

True, in the past it has proved safe for our democracy to sacrifice freedom of the press and other freedoms and submit to such things as censorship in time of war. But in the past we have done this for never more than 4 years and our present gradual enthronement of these methods of despotism and militarism has now already gone on for 17 years—ever since 1945. Worse still, though we have changed administrations three times in these 17 years, spokesmen of the present one tell us even more insistently than did their predecessors that we must reconcile ourselves to "enduring the present tensions for many years to come." Ten years ago they spoke of "perhaps 30 years of tension to come." Now they warn us of endless years, with no perhaps about it.

Termites of tyranny

How long can the structure of our freedom stand up while it is being eaten away from within, year after year, by these termites of tyranny—by a spy system that is already vast, and has billions to spend without any real accounting to us; by mushrooming governmental secrecy, already covering conveniently no small amount of corruption, inefficiency and blundering; and by concentrated power in a few men—money power, military power, punishing-without-due-process power, pushbutton power—already far greater than such concentrated power was in World War II?

Twenty-one years of this already—if we go back to the beginning of 1941. Americans are now being drafted into the Armed Forces who never lived under any other regime than this. With 30 more years of this situation, two generations of Americans, parents and children, will have grown from infancy to manhood in an ever more rottening structure of freedom—which continues to appear from the outside deceptively solid. How long can we let tyranny's termites feed on our freedom, and hope to have any of it left for our grandchildren? Is it surprising that Mr. K., as he watches us practicing his political principles instead of our own, confidently predicts that our grandchildren will be the subjects of history's worst type of dictatorship.

You may think I am too alarmist. That is what people thought in 1944 when I warned of that postwar poker game with our Soviet ally.

Let me tell you a little incident that indicates how far the termites have already gone. I was talking only last month to a former Cabinet member—one of the men who was closest to his President. I was telling him of the talk I had had that day with a man who has held very high office under more than one President, and who had given me some very disquieting information about the possibility of Mr. K. risking atomic war. The former Cabinet officer was as impressed as I had been; he said: "I must phone him about this." Then he added, as if thinking out loud: "No, I'd better not talk to him on the phone on such a subject. I'll arrange to see him." Clearly he felt he could no longer trust our once trustworthy telephone in a discussion of even this subject, which was not tagged "secret" or "classified." And already he took this telephone tapping as a matter of course, to be accepted without complaint.

Where will we be after this termite of tyranny has gone on gnawing away for even 10 years more.

The contrast between the policy of the American Society of Newspaper Editors right after the war and now is another significant indication of how the security for freedom of the press has meanwhile declined. Around 1946 I recall attending a dinner of the ASNE where the guests of honor were Russian editors whose trip through the United States the society, as I recall, had sponsored in the hope that if they only saw with their own eyes the contrast that our freedom offered they would return home converts to freedom. (That basic idea has died hard—if it has yet died—for I recall attending another ASNE dinner only a few years ago, just after Castro came to power, when Castro was the guest of honor.) But since 1946 the situation in Washington itself has so deteriorated that in recent years one

[1] On Jan. 17, 1961, President Eisenhower warned: "In the councils of our Government we must guard against the acquisition of unwarranted influence * * * by the military-industrial complex * * * We must never let the weight of this combination endanger our liberties." And he warned against another enemy that is growing like a mushroom in the dark: "We must also be alert to * * * the danger that public policy could itself become the captive of a scientific-technological elite."

of the major fights of the ASNE has been to preserve free information in the United States from the trend to classify as secret more and more information that once was public.

With such termites gnawing away, the wonder to me is not that Senator GOLDWATER should attack the administration policy as a "no win" policy. The wonder is that his opponents should do so little to rouse the public to the gravity of the danger to freedom inherent in any policy that presupposes that our democratic structure can withstand indefinitely the termites that flourish in such prolonged conditions of tension. Only the most radical extremists will grow in these conditions, and the way they are already growing is in itself another ominous sign.

The only safe policy for freedom

For more than a quarter century I have contended that the only safe policy for freedom is one that promises—and can reasonably hope to deliver—decisive victory in good time. All that has happened in that quarter century makes me believe this only the more firmly now. But this does not mean that I share the view that the alternative to the no-win policy is to seek to win by war. That is a fearfully dangerous alternative, and one that I have always sought to avoid. With the exception of the period when we were already in World War II, my aim, before that period and ever since, has been to win for freedom without another world war, by the only means that permit this—by putting behind freedom in good time the proverbial power that lies in union; in other words, by federating the free Atlantic peoples.

Although Atlantica cannot gain—alas—as much power by federation today as it could have gained by union in 1939, or in 1949, or in 1959, it can still gain by union now enough power to turn the tide decisively, I believe, and win without war. I give my reasons for that estimate in chapter 2 of my current book, "Freedom's Frontier—Atlantic Union Now." Tonight I have time to say only: Rate freedom's existing power as you will; by federating it politically and economically we would certainly make it much greater than that of the United States alone. Mr. K. could no longer hope to surpass it by 1970, or 2000. Moreover, in that period federation would immensely stimulate the growth of freedom's power in every field—not only in per capita production and standards of living, but on the political, military, scientific, educational, and moral sides. These factors are so interrelated that, when combined the federal-union way, their power becomes immensely greater than by any other combination of them. Federation raises their power as a straight flush does that of five cards.

You may think that instead of five aces—as in 1939 and 1949—freedom now holds only an ace, king, queen, jack, and 10. If those cards are combined the alliance or confederation way, in different sovereign suits, you have only a straight, which is not too hard to beat in the poker game the world is in.

If, however, all five cards belong to the same suit, this one change, which seems so slight, makes the hand 255 times stronger—an unbeatable royal flush. Similarly, when freedom's power is no longer divided among different nations but united in one Atlantic federal union, its hand becomes unbeatable.

The power of Atlantica

The Atlantic Community has not yet begun to gain the strength that comes from organic union. Here is our vast reservoir of unused power. It costs us nothing to harness this power—except the loss of prejudices and ideas that are contrary to our basic free principles. The power Atlantica would gain is not only the cheapest, but the kind that would most impress Moscow, and Peiping, for three reasons:

First, the Communists have made a fetish of unity. They have carried their monolithic unity to the extreme of tyranny. They bank on this extreme unity, which is inherent in communism, and on the extreme disunity which they believe is inherent in free enterprise and individual liberty, to deliver our grandchildren to their system. The glasses that we Atlanticans wear magnify for us even microscopic dangers and difficulties to freedom in union—but those that the Communists wear magnify immensely in their eyes the proverbial strength and other advantages that Atlantic union would bring us.

Secondly, the Communists know that they cannot possibly begin to compete with us in the kind of power that union brings. For one thing, they have already practically exhausted this resource, which we Atlanticans have hardly started to harness. They have carried unity to such extremes that the Kremlin is now trying to decentralize industry to some degree to increase efficiency. And they know that whereas the assets they had, or have, are relatively little developed, the nations of Atlantica include the most highly developed ones on earth; they have the kind of assets whose power can be most quickly multiplied by the inherent magic of union.

Atlantic union would most impress the Communists because, thirdly, it would come with the force of surprise as would nothing else we could do. One reason why may suffice. The creation of this union by common agreement would prove that a basic Marxist dogma is unfounded. The Communists believe that greed for profits must inevitably drive the capitalist countries into cutthroat competition and conflict for markets. This has all too often been true, but the Thirteen States, by their great experiment in Federal Union, proved that free enterprise states can—by applying between them their basic principles instead of sacrificing them—create a much richer Common Market. From it everyone benefits, by the elimination of trade barriers and other nationalistic rivalry, and by the continued competition of free enterprise. The latter requires that the competition be the peaceful, healthy one between citizens or corporations. The unhealthy, war-producing competition of nations results from the doctrine of national sovereignty—not from the principles of capitalism. The latter are, in fact, contrary to that doctrine.

By taking the road to Atlantic federation we knock out this keystone of Communist ideology. We prove that "St." Lenin and "St." Marx were completely wrong in their teachings on this essential point. We cannot deliver a blow that is more bewildering and devastating to the Marxists, inside and outside Russia, than this is.

In these and other ways Atlantic union now would not merely provide the unbeatable hand that freedom must have to win while continuing to play with cards face up, but would set in motion forces that would end, I believe—for reasons I explain in chapters 12 and 13 of "Freedom's Frontier"—in the eventual breakdown of the Communist dictatorship from within.

The encouraging support

Here is a way to meet the challenge freedom faces that would save freedom by applying our own time-tested free Federal principles to create the United States of Atlantica—not by hoping merely to edge ahead in the present neck-and-neck arms race which is bound to end in suicidal war, nor by continuing to deliver freedom gradually to dictatorship, from within, without a struggle, through the termites of tyranny that fatten on unending years of tension.

Here is a policy that has long enjoyed very respectable support—not a crackpot to the carload—and has gained increasingly impressive backing in recent years.

Let me cite quickly only four items.

1. In 1960 both Houses of Congress, after 12 years of consideration, authorized the creation of a U.S. Citizens Commission on NATO and empowered it to organize an Atlantic Convention of citizen delegates from the NATO nations to explore stronger Atlantic unification.

2. In January 1962 this Atlantic Convention met for 10 days in Paris. It was composed of 90 distinguished delegates under the chairmanship of former Secretary of State Herter. It ended its debates with a unanimous declaration that "our survival as freemen, and the possibility of progress for all men, demand the creation of a true Atlantic Community within the next decade," and an urgent recommendation "that the NATO government promptly establish a special government commission to draw up plans within 2 years for the creation of a true Atlantic Community, suitably organized to meet the political, military and economic challenges of this era."

3. The International Movement for Atlantic Union, whose president I have the honor to be, began less than 2 years ago to organize a small Honorary Council and a somewhat larger Advisory Council as a means of mobilizing leaders who were ready to stand up and be counted for outright Atlantic "federation." Its Honorary Council now includes Prince Bernhard of the Netherlands, the Earl of Avon (formerly Prime Minister Eden), former Secretary of State Herter, former Foreign Ministers Beyen of Holland, von Brentano of Germany, Martino of Italy, Pearson of Canada; former Premiers Schumann of France and van Zeeland of Belgium. The latest to join is former NATO Secretary General Spaak, now Belgian Foreign Minister—the first such minister in office to do this.

The Advisory Council has more than 400 members from all walks of life, an even more distinguished and representative cross section of the Atlantic Community than was the Atlantic Convention. We have not yet published this list—but I'll give you a quick taste: Lord Aldington, vice president of the British Conservative Party; Warren Atherton, former national commander of the American Legion; William Bennett, Premier of British Columbia; Arthur Burns, chairman of the Council of Economic Advisers to President Eisenhower, and Leon Keyserling, its chairman under President Truman; Gaston Eyskens, former Premier of Belgium; Adm. Thomas Kinkaid; Herschel Newsom, master of the National Grange; Paul Rykens, retired chairman of Unilever, the Netherlands; Maurice Schumann, recently named Minister of National Planning in France; Gov. John Volpe of Massachusetts.

4. As recently as February 9, I had the pleasure of seeing the first presidential aspirant come out squarely for Federal union of the free. Ending his three Godkin lectures at Harvard on "The Future of Federalism," Gov. Nelson Rockefeller said: "The Federal idea, which our Founding Fathers applied in their historic act of creation in the 18th century, can be applied in the 20th century in the larger context of the world of free nations—if we will but match our forefathers in courage and vision. Sweeping as this assertion may be, I believe it to be anything but an academic proposition. Quite the contrary, it is a matter of cold political realism. * * * Anything less than a grand design—a major idea and a lofty sense of purpose—is too puny for the times in which we live."

THE DISAPPOINTING PRESS

Such is the newsworthy support that this policy of Atlantic union has been getting in recent years. But how much of this news have you read in the press, or heard over the air? Here is a policy for saving the freedom of the press, and all our freedoms, that you might think a good many papers would crusade for—if only for self-interest. Here is a policy whose rise you might think would be carefully followed and fully reported in a free press.

What does the record show? As an old newspaperman, still in love with the profession and fully aware of its difficulties, I regret deeply to have to report that precious few papers have adequately reported this story, and the great majority have almost always ignored it, or played it down. Even fewer—a very precious few—have crusaded for it in the grand tradition of the free press.

The lonely splendor

The newspaper that shines out in both respects in lonely splendor is not, I am saddened to say, my old paper, the New York Times, but the Memphis, Tenn., Press-Scimitar. Its editor, Edward Meeman, is one of the truly great editors of our country. I wish I had time to tell you of how he has handled this story in the 15 years I have followed his work, and of the truly astonishing products and byproducts that have resulted in city, State, National, and international affairs. These results have included the decisive defeat of the Crump machine in Memphis, its replacement with a commission government, the election of ESTES KEFAUVER as U.S. Senator and the start of his career as a candidate for the presidency, and through his untiring work at home and abroad, the bringing about of that Atlantic convention of which I spoke. Some day historians will wonder why our generation hasn't had imagination and judgment enough yet to give Edward Meeman all the Pulitzer Prizes, melted into one. What he has done shows most devastatingly what the press might have done everywhere—and can still do. Instead—well, let me go back to those four developments I mentioned, and tell you very briefly how the press generally handled this story:

1. The road the Atlantic convention resolution traveled through Congress was beset with conflict after conflict; it offered at least half a dozen good news pegs in a year. But if the AP, UPI and such papers as the New York Times hung a single paragraph on these pegs, our search has not revealed it. Consider a few of the items that were ignored: Item one—Secretary Herter reversed the Acheson-Dulles policy of 10-years standing on this proposal. Item two—the Senate Foreign Relations Committee voted it out 8 to 7. Item three—the Senate passed it after long debate by a vote of only 51 to 44, witnessed by at least 20 reporters in the Press Gallery (I saw them), with every presidential candidate in the Senate voting for it, and Vice President Nixon, who didn't need to stick his neck out, giving it the public endorsement that put it through while Senators Kennedy and JOHNSON voted "yes", but said nothing. Item four—the House committee approved it unanimously in an election year despite the close Senate vote. Item five—the House, after killing six innocent-looking but fatal amendments on the floor, passed it 288 to 103. And not a word about any of these stories in the leading papers of the country—except three or four lines in fine print in the summaries of bills passed by Congress in the New York Times and Washington Post.

2. Turn to the Atlantic convention. Our press did give this meeting wide news and editorial attention, just before it met and during the first 2 of its 10 days—particularly Mr. Herter's keynote speech. But thereafter, it dropped the discussion—except to report such world-shaking news that some of the delegates had gone to Berlin and seen the wall, or gone to the Arc de Triomphe in Paris and laid a wreath on the Unknown Soldier's Tomb.

When the convention reached its conclusions and issued its declaration, which I have quoted, the UPI and AP sent good stories—but our clipping service showed that far fewer papers printed anything about the unanimous recommendations of those 90 eminent Atlanticans compared to those who reported the keynote speech of 1 U.S. delegate. Still fewer among those who had editorialized on the prospects of the meeting expressed any opinion on the results. The New York Times, I am glad to say, was this time a shining exception: It ran three editorials in a fortnight on the convention and found that "Atlantic union is on the march * * * begins to look like a historic inevitability."

But the only paper in the world which covered every day of the convention through a special correspondent it had sent to Paris was the Memphis Press-Scimitar, whose Milt Britten did so excellent a job that a number of other Scripps-Howard papers also ran his dispatches.

3. Turn now to all those former Prime Ministers and Foreign Ministers who have come out for Atlantic federal union by joining the Honorary Council of the International Movement. When these men make a speech, the press reports it. Believe me, it is far harder to get such statesmen to commit themselves continuously to Atlantic federation than to say some pious generalities on Atlantic unity in a soon forgotten speech. Yet, though a press release was given on each statesman who joined the IMAU Council, and the significance of his action was made clear, the only one to get even a paragraph was, to my knowledge, Mr. Herter—in the New York Times.

4. I came to the last of my four illustrations—Governor Rockefeller's Harvard lectures. The New York Times gave them a column—but no editorial, as yet. The agencies sent good stories, and the Washington Post, Providence Journal, and San Francisco Chronicle ran editorials adequately reflecting the importance of the story. But the number of important leaders who had not heard of the Governor's stand when I spoke to them about it and to whom I was the first to bring any news of this important development speaks for itself on the press, TV-radio coverage of this event. And, it was an event. I have waited so long—more than a quarter century—to see a presidential aspirant take this kind of stand for the federalist principles of the Founding Fathers that I'm now expecting to see, at long last, man bite dog on the next street corner.

A conspiracy of silence

What is the explanation of this record of the freest press in earth on this story that has in it all the elements of a good news story, and more—that has in it even history, history in the making? It is not surprising that some find a sinister explanation, a conspiracy of silence, and they are not all laymen. So experienced a veteran newspaperman as W. K. Kelsey wrote in the Detroit News-Times just before the Atlantic convention met: "Perhaps the American press will break what has appeared to be a conspiracy of silence regarding this affair's genesis and development. * * * It [the convention] is worth watching—if we are permitted to watch."

I happen to know the reasons for this veteran's doubt that the press would permit the public to watch this convention; perhaps I'll have time to tell them to the students at the school of journalism of Montana State University where I speak tomorrow morning. All I can say here is that he has good cause to be cynical, but still I'm not. The layman may think that the press plays up the dangers of dictatorship and war, and the billions spent on security via an armaments rat race, so that continuing billions will be spent on this empty answer—and part of the money will reach the press in advertising and circulation. I don't wonder that this may seem to be a plausible explanation to those who don't know the newspaper game from the inside as I do—but it is not the explanation to me and I feel sure it wasn't what Mr. Kelsey meant.

To me the explanation is nothing so juicy or sensational. It is simply that the press has fallen into some bad ruts—or rather, has gradually dug itself into some dangerous ruts—in its evaluations of what is news, and what is the role of the press in a society of free people. What these ruts are—that is another speech, and the hour is late.

THE CONCLUSION

I do not expect the press soon to give the same attention to efforts to win for freedom by effective union, without war, that it gives to the attempt to win by disguised disunion, and spending billions on arms. Nor am I such an optimist as to expect the press to be good enough—for quite a while—to play up the efforts to unite the free as much as it does the evidence of disunity in NATO.

But is it too much to hope that the press and TV will cease building up the lunatic fringe on the right and left, by giving the publicity it does to the most crackpot Birchite allegations, and to picketing at the White House for the most half-baked plans for peace and disarmament? Is it too much to ask that the press should treat such items as less important news than the efforts of reasonable men, with highly respectable support, to avoid the twin dangers of war and of endless tension and win decisively for freedom of the press by time-tested plans—even though they do not resort to wild denunciation or sensational methods, but appeal to sober commonsense.

Surely it is not too much to hope that the news and editorial pages should at least cease to play down or ignore major developments in this field. Indeed, I would hope for a little more than that. I would hope that newspapermen and newscasters and schools of journalism would take a fresh look, a hard look, at their present criteria for deciding what is news, and for evaluating its relative importance and general interest, and at the responsibility of the press to take an active hand in meeting constructively the present challenge to its freedom. I would suggest that they investigate whether they have not gradually sunk into some very deep ruts in all these regards—ruts that are not in their interest nor in the public interest, and that are highly dangerous to continued freedom of the press in the world we live in now.

I would like to see Montana help lead the way to a better sense of news values and press responsibilities. I feel sure that nothing could so please Dean Stone than that we, his foster children, should blaze new trails when old ones lead to dark and bloody ground.

THE TURNING POINT

Mr. THURMOND. Mr. President, I am pleased to call to the attention of the Senate a new book which presents in a very lucid and interesting style of writing many hitherto unexposed events surrounding one of the most gripping and important presidential elections in the history of this country. The name of the book is "The Turning Point: Jefferson's Battle for the Presidency." It was written by Mr. Frank van der Linden, the distinguished Washington correspondent for the Nashville, Tenn., Banner and the Greenville, S.C., News. Mr. van der Linden has been a leading newsman in Washington for 17 years, after finishing Lenoir Rhyne College and serving as a news reporter in his hometown of Hickory, N.C. Many have been impressed with Mr. van der Linden's capabilities as a reporter and news analyst. Now, with the publication of

"The Turning Point," many more will be impressed with his abilities as a writer, historian, and researcher.

This is Mr. van der Linden's second book, his first being entitled "Dark Horse." This was the story of James K. Polk's election to the Presidency in 1844. In addition to his work as a Washington correspondent, Mr. van der Linden has also written many magazine articles on American history and has appeared as a panelist on the NBC network program, "Meet the Press," on a number of occasions.

For sheer drama and historical significance few events in this country's history can match the presidential election of 1800 when Thomas Jefferson—after 35 deadlocked ballots in the House of Representatives—finally wrested victory from Aaron Burr, his Vice-Presidential running mate.

Working from original correspondence, documents, papers, and firsthand accounts of participants, Mr. van der Linden reconstructs the events of the 4 years leading up to 1800, and sheds new historical light on the tense political and personal battle that finally resulted in Jefferson's victory.

To provide a colorful counterpoint to his main story, Mr. van der Linden has drawn on the diaries and correspondence of a most remarkable couple—Samuel Harrison Smith, who was editor of the first newspaper in Washington, D.C., the National Intelligencer, and his brilliant wife, Margaret Bayard Smith—whose confidences add background, warmth, and sparkle to "The Turning Point."

The daughter of a stanch Federalist, Margaret defied her family and gave her heart to Smith, a radical editor who fought for Jefferson. The letters they wrote during their 4-year courtship give revealing glimpses of the issues, events, and political personalities of the day and, incidentally, of the emotions of two young people in love.

"The Turning Point" is thus a kaleidoscopic view of the United States during one of its most momentous periods. It includes scenes of Philadelphians fleeing the yellow fever epidemics; newspaper editors fighting in the streets; Congressmen in pitched battle on the House floor; young lovers strolling on the banks of the Schuylkill and the Raritan; politicians electioneering on the sidewalks of New York. Above all, it paints an unforgettable picture of the raw frontier capital on the Potomac, and the men who dominated its affairs.

Mr. van der Linden spent 8 years in the research and writing of this remarkable and revealing book, and his diligent attention to his detailed research work has already rewarded Mr. van der Linden with a number of favorable book reviews.

I ask unanimous consent to include at this point in my remarks, Mr. President, four of the reviews which "The Turning Point" has received since its July 4 publication date. They are from the New York Herald Tribune of July 4, the Greenville News of July 4, the Nashville Banner of July 6, and the Washington Post of July 8.

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

[From the New York Herald Tribune, July 4, 1962]

THE TURNING POINT

(By Maurice Dolbier)

"The Turning Point," Jefferson's battle for the Presidency, by Frank van der Linden. Illustrated, 371 pages, Robert Luce, distributed by David McKay.

This is the story of the making of the President, 1800, in an election even more breathtakingly narrow and more dramatic in all its circumstances than the Kennedy-Nixon race described in Theodore White's bestseller.

In 1796, after two terms in the Presidency, George Washington retired from public life—"I desire to be buffeted no longer in the public prints by a set of infamous scribblers"—and battle was joined between the two factions that had arisen in the new Nation during his administration—the Federalists, led by Washington's Secretary of the Treasury, Alexander Hamilton, and the Republicans, headed by Washington's Secretary of State, Thomas Jefferson.

ADAMS BY THREE VOTES

In the 1796 election, Jefferson and John Adams were their parties' candidates for the Presidency, and the vice-presidential candidates were New York's Aaron Burr and South Carolina's Thomas Pinckney. But the voting was done by electors in the States, who voted for individuals, and the result was disconcerting to all concerned. The Federalist, Adams, won the Presidency by only three votes, and complained against Hamilton's almost successful attempt to undermine him in favor of Pinckney. The Republican, Jefferson, who had said that "the Vice Presidency is the only office in the world about which I am unable to decide in my own mind whether I would rather have it or not," became Vice President. Pinckney and Burr felt (and probably had been) betrayed.

In the next 4 years, passions continued to mount. The Republicans were denounced as atheistic rabble ready to sell out their country to revolutionary France; the Federalists were denounced as monarchists and Anglophiles, traitors to the principles for which the American Revolution had been fought. Mobs fought in the streets of Philadelphia; there were even fights, with hickory sticks and firetongs, between Members of the House of Representatives.

THE LONG TIE

In 1800, the electoral results was a 73 to 73 tie between Jefferson and Burr, and the decision in electing a President devolved upon the House of Representatives—one State, one vote. Federalists, who were in a congressional majority, toyed with the idea of naming one of their men as an interim President (there were threats that if this happened, Republican troops would march upon the new Capital of Washington from Virginia, Maryland, and Pennsylvania, and counterthreats from the Federalist militia of New England), and with the idea of throwing their support to Burr, as the lesser of two evils (a course desperately opposed by Hamilton).

Thirty-five times the weary Congressmen voted; 35 times the battle lines held firm. Then, before the 36th ballot was taken, Representative James Bayard, of Delaware, announced that he was shifting his vote from Burr to Jefferson, and the deadlock was ended.

Washington Correspondent Van der Linden has written a most tensely exciting account of these passionate and decisive political wars of the early Republic, and has also attempted the difficult task of maintaining a scrupulous objectivity (though, on the whole, he doesn't trust Burr any more than Jefferson and Hamilton did). He has also had the good fortune to run across a series of love letters in the Manuscript Division of the Library of Congress, and his book recounts the tender and happy-ending romance of Margaret Bayard, member of a stoutly Federalist family, and the young Republican editor, Samuel Harrison Smith, founder of the first newspaper in America to appear both morning and evening on the same day, the New World, and the first newspaper to be published in Washington, D.C., the National Intelligencer.

[From the Greenville (S.C.) News, July 4, 1962]

BOOK ABOUT JEFFERSON ELECTION IS OUT TODAY

(By Frank van der Linden)

WASHINGTON.—Frank van der Linden, Washington correspondent for the Greenville News, is the author of "The Turning Point," a book being published today by Robert B. Luce, Inc., of Washington, D.C.

Appearing, appropriately, on the Fourth of July, the book tells of the secret intrigues which enabled Thomas Jefferson to win the Presidency while the Nation neared the verge of civil war in the revolution of 1800.

Irving Stone, author of the No. 1 best-seller, "The Agony and the Ecstasy," wrote to Publisher Luce: "Thank you for sending me 'The Turning Point: Jefferson's Battle for the Presidency,' by Frank van der Linden.

"I think it is an important contribution to the study of American history, well researched and interestingly written. Jefferson's battle for the Presidency is one of the most exciting stories in our national background."

LOVE AFFAIR CITED

"The book will have additional interest for the general reader because of the love affair between Samuel Harrison Smith and Margaret Bayard, and the part their National Intelligencer played in the Jefferson election * * * I want to use the book in my own research in the novel about Abigail and John Adams."

L. H. Butterfield, editor in chief of the "Adams Papers," and nationally famous authority on the Jefferson era, wrote this about "The Turning Point."

"Mr. van der Linden has produced from his rich sources a rattling good narrative. He has mingled the story of national politics at the end of the 18th century with the human story of Samuel Harrison and Margaret Bayard Smith in a highly ingenious, instructive and entertaining way."

Publisher Luce says "The Turning Point" is historically important because it publishes, for the first time, the love letters of the Smiths in the Manuscript Division of the Library of Congress, and these "provide a colorful counterpoint to the main story" of Jefferson's election.

"The daughter of a stanch Federalist, Margaret defied her family and gave her heart to Smith, a radical editor who fought for Jefferson." In a further twist of plot which seems stranger than fiction, the deciding ballot in the election, which was settled in the House of Representatives, was cast by Margaret's cousin, Delaware Congressman James A. Bayard.

Besides being written by the veteran correspondent of the Greenville News, the book has a special interest to South Carolina because the State played a pivotal role in Jefferson's election. His Federalist foes were President John Adams and Gen. Charles Cotesworth Pinckney of Charleston.

SOUTH CAROLINA HAD PART

Pinckney was ostensibly running for Vice President, but many Federalists hoped he would become President by carrying his home State, so great was his popularity there.

South Carolina was the last State to vote. The legislature, meeting at Columbia in December, was closely divided. After an intense struggle, it gave all eight Palmetto electoral votes to Jefferson and his running mate, Aaron Burr. That enabled Jefferson to defeat Adams, 73–65.

However, Jefferson and Burr tied 73–73 in electoral votes and the House of Representatives must break the tie. The Federalists controlling the House conspired to make Burr President, just for spite.

The battle raged on the 35 deadlocked ballots until Jefferson finally triumphed. The book relates the charges of bargains, deals and trades for votes and it has, in this respect, a most modern ring. So does this acid description of Jefferson, in the words of Federalist Congressman Robert Goodloe Harper of South Carolina.

JEFFERSON DISLIKED

"I take him to be of a weak, wavering and indecisive character, always pursuing visionary theories. * * * Like most literary men, greatly liable to flattery, and so devoted to popular applause that he cannot be relied on for the performance of any duty which might require him to risk it by a manly, decisive conduct in difficult situations.

"I might think him fit to be a professor in a college, president of a philosophical society, or even Secretary of State; but certainly not the First Magistrate of a great Nation."

[From the Nashville (Tenn.) Banner, July 6, 1962]

LIVELY STORY OF JEFFERSON-BURR CRISIS

(Reviewed by James H. Scott)

"The Turning Point," by Frank van der Linden, 371 pages, Washington, D.C.

Every American who has been exposed to even a smattering of history knows that Thomas Jefferson was the principal author of the Declaration of Independence, ultimately President of the United States, and is looked upon by the Democratic Party of today as the patron saint of their political organization.

And the name of Aaron Burr strikes a familiar chord as well. Was he not the man who shot the Federalist, Alexander Hamilton, to death in a duel? True, but he was more than that. But for fate, a great deal of political maneuvering and finally the good sense of patriots, he, and not Jefferson, would have become the third President.

This is the story woven by Mr. van der Linden, whose name is a familiar one to readers of the Nashville Banner which he serves as chief of its Washington bureau.

Written in narrative form, the author has intertwined the history of that momentous presidential election with the story of an enterprising journalist and his wife. Through painstaking research he has relied upon the diaries and correspondence of Samuel Harrison Smith, editor of the National Intelligencer, and those of his wife, Margaret Bayard Smith. This on-the-spot coverage adds zest and readability, making the history of the moment come alive.

Few of those of us who might be called casual readers of history fully appreciate the precipice on which this embryonic Nation teetered in 1801 when it devolved upon the House of Representatives to break the electoral vote tie between Jefferson and Burr.

At the outset, Burr was but an announced candidate for the Vice Presidency; he too, was a Republican—to the surprise of some, this being the same banner carried by Jefferson. The Federalist candidate, President John Adams, had run third in the knotted race. Thus, the Federalists, realizing their power was on the wane, muddied the already turbulent political waters.

In those days, the second man on the ticket became the Vice President. But in this instance, Burr, instead of stepping aside for Jefferson, the people's choice, became consumed with a gnawing ambition. He wanted the Presidency.

On a cold and snowy day the House began its deliberations. Vote after vote was taken but neither man could gain a majority of States. The ballots were tallied and tallied and it wasn't until the 36th vote that Jefferson mustered the necessary majority. It was a Federalist—who had put nation above party—that broke the snarl.

What would have happened if the deadlock had remained up to Inauguration Day? A nation, leaderless, may have cast aside the Constitution and civil war may have ensued. From this crisis, many of the faults of our election system were corrected. The young nation might not survive another one.

In his foreword, Mr. van der Linden states: "Jefferson's victory marked the turning point in Ameria's early political history, ending the Federalist Era of artistocratic rule and opening the way to the age of modern democracy." Thus this crisis served the best interest of the people for ages to come.

Those of us personally acquainted with Mr. van der Linden's energetic work in behalf of this newspaper as its Washington correspondent can readily appreciate the dedication and zeal which he put into this important book.

"The Turning Point" belongs on the shelf of every person with historic curiosity. Too, it is one that will fascinate those with an interest in politics, for this is a story of early day political infighting for the highest of stakes—the Presidency of the United States of America.

[From the Washington Post, July 8, 1962]

POLITICS VIES WITH ROMANCE

(Reviewed by J. R. Wiggins)

"The Turning Point," Jefferson's battle for the Presidency, by Frank van der Linden.

Frank van der Linden has written an interesting book about two subjects. One is the romance between Samuel Harrison Smith and Margaret Bayard. The other is the story of the presidential election campaign of 1800, the tie vote between Jefferson and Burr, and the struggle in the House of Representatives to choose the President.

Both stories are well worth the telling and each of them might have occupied an entire volume.

The romance of the first editor of the National Intelligencer and Margaret Bayard is a tale filled with interesting insights into the problems of the 19th-century editor and the difficulties of life in Washington. Interesting as the story of this romance is and as well told as it is, van der Linden leaves his audience wishing to know more about the young couple and their interesting personalities.

The description of the Jefferson-Burr crisis in the House sheds some new insight on the finagling and politicking of a very remarkable American political crisis. If it was Van der Linden's purpose to explain completely the mystery of the contest in the House, however, one cannot believe that he quite achieves complete success.

The story of that crisis alone would occupy several volumes, and perhaps it would be beyond the ingenuity and research of any historian now living really to put together all the pieces. The book does not fully establish any new proof of the participation of Jefferson in any of the commitments made to secure the votes of the nine States needed to complete his election.

While the author's point of view is that of a critic and derogator of Burr, it must be acknowledged that as far as actual evidence of Burr's intervention during the struggle in the House is concerned, the story hardly does him any credit.

It does, however, make evident again that Aaron Burr could have ended the whole crisis in a moment by a simple declaration of his unwillingness to accept election even if it were tendered to him. Van der Linden makes it very clear that despite several invitations to do this, Burr carefully declined to take himself out of the race.

At the same time, while the struggle was on in the House, Burr expressly and repeatedly declined to make any commitment to the Federalists that might have won him the States that he needed. This may reflect more credit upon his ingenuity than his integrity, because, as Van der Linden says, he could not have picked up Federalist support without waiving Republican support.

It is a good thing to have this story retold at this juncture, for it pictures America in a kind of a formative crisis through which many young countries today are passing. To read the story of the chaos and confusion and uncertainty of this American interlude is calculated to make Americans somewhat more patient with the misfortunes and mischances of embryo states that are now experiencing the same stage of growth.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If there is no further morning business, morning business is closed; and, without objection, the Chair lays before the Senate the pending business.

AUTHORIZATION OF APPROPRIATIONS TO THE 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. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MANSFIELD. Will the Presiding Officer state for the benefit of Senators what is the status of the amendments of the Senator from Wisconsin, relative to allocated time?

The VICE PRESIDENT. The Parliamentarian informs the Chair that the amendments have not yet been offered. When the amendments are offered and are pending, there will be 30 minutes on each amendment.

Mr. KERR. Mr. President, I move that the action of the Senate yesterday, whereby amendments were adopted to the bill, be reconsidered.

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

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, is the Senator from Wisconsin prepared to offer his amendments at this time?

Mr. PROXMIRE. Yes.

The VICE PRESIDENT. The Senator from Wisconsin may offer his amendments. The Parliamentarian informs the Chair there will be 30 minutes of debate on each amendment, 15 minutes on each side.

Mr. PROXMIRE. Mr. President, I call up my amendments 7-10-62—D, and ask unanimous consent that the reading of the amendments may be dispensed with and that they may be printed in the RECORD.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

The amendments are 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. MANSFIELD. Mr. President, will the Senator from Wisconsin yield to me with the understanding that he will not lose his right to the floor?

Mr. PROXMIRE. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time necessary for the call of the roll not be charged to either side.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield myself 7 minutes.

Mr. President, the amendment which I called up and which is now pending would provide an additional requirement that NASA insist upon competitive bidding in procurement unless it can show that such competitive bidding would be impractical or unless it can show that it would frustrate the purposes of the act. In that case the Administrator must make such a determination in writing. It must be a full and complete statement of the facts and circumstances. The statement must remain on file for 3 years. It is to be at all times available for inspection by the GAO and the Comptroller General.

The reason I have prepared the amendments is that the record of NASA on competitive bidding has not been good. It has not been nearly as good as the record of most other agencies. The competitive advertised bidding procurement by NASA has constituted 9 percent of its direct contract awards, with negotiated competitive bidding making up 56 percent, and 35 percent going to negotiated contractors without competition.

The proposed authorization represents by far the biggest increase in authorized spending that the Congress will have before it from any agency this year on a percentage basis. It represents an increase from $1.7 to $3.7 billion. It seems to me that we have an obligation to the American taxpayer to see that the money is spent as economically as possible. All Members of Congress know, and all thoughtful people who have studied the subject recognize, that by far the most economical, fairest, and most efficient method of any procurement is by advertised competitive bidding. Under that system we know it is necessary for the contractor who supplies a service to the Government to do so at lower prices and on the basis of competition with other contractors.

I also feel very strongly that what has been written in articles appearing in such magazines as Fortune, Business Week, and others which I asked to have printed in considerable volume in the RECORD yesterday, is true.

The impact of the increased authorization, especially in coming years, will be adverse to small business. We know that space contracts will be bigger and fewer. There is no question that small business will have a much more difficult time in obtaining procurement contracts under those circumstances.

The record is replete with the statistics showing that small business receives a very small proportion of contracts based upon negotiated bidding. For example, in defense activities small business receives about 10 percent of negotiated contracts, but it receives a large proportion of the contracts based upon advertised competitive bidding. In defense procurement small business receives nearly 50 percent of the contracts based upon advertised competitive bidding. My proposal is in the interest of small business at a time when we are authorizing a huge increase in funds for an agency which will have a greatly magnified consequence on American business. It will have an impact on our economy similar to that of the automobile and the television industries when they first began to grow and develop. It is most important that we should provide this proposed competitive bidding safeguard for small business.

There is no question that when such an agency as NASA expands—with such devastating rapidity—there is sure to be an increase in Government influence and interference with the economy. There is no question that in instances in which the agency places its procurement on a negotiated basis, particularly with a sole source, it is necessary for the Government to step in and regulate the company, to watch it with extreme care, and audit it at every step of the way to prevent cost padding and waste. There must be all kinds of redtape under Government control, but in the case of advertised competitive bidding, free enterprise can function with a minimum of Government regulation.

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

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. Will the Senator compare for me briefly the status in which NASA would be with respect to competitive bidding if the Senator's amendment were to be agreed to, and the present status of competitive bidding in that agency?

Mr. PROXMIRE. Yes. I was coming to that question. I can deal with it now. At the present time it is necessary for the National Aeronautical and Space Agency to comply with the Armed Forces Procurement Act, the same as the Defense Department and other agencies must do.

In order for any of these agencies to procure on some other basis than competitive bidding, it is necessary for them to meet one of the 17 exceptions. These exceptions are frequently broad, especially in one case. Exception 11 of the Procurement Act is so broad that 59 percent of the exceptions made by NASA have fallen into that one category. I will read it into the RECORD.

Exception 11 provides exemption from competitive bidding whenever "the purchase or contract is for property or services that he—the Administrator of NASA—determines to be for experimental, developmental or research work, or for making or furnishing property for experiment, test, development or research."

Obviously a great deal of what NASA—this primary research agency—does—in fact, most of what NASA does—can fall into that category. In fact 59 percent of the exceptions made by NASA in its procurement have fallen into that particular category.

My amendment would provide that in addition to meeting the exception, it would be necessary for the Administrator to find that it is impractical to rely on competitive bidding—he must specifically find that it is impractical. In the case of such procurement, the Administrator would also have to make that finding in writing and make it available to the GAO.

Mr. CLARK. How would that tie in with the present requirement of competitive bidding in the Department of Defense? Would the standard proposed by

the Senator from Wisconsin be a stricter standard?

Mr. PROXMIRE. It would be a stricter standard than that in the Department of Defense. I think a stricter standard would be justified, first, because the agency is expanding very rapidly and, second, because the NASA agency is not a defense agency, and the same kind of requirements we have to meet situations of great urgency in the Department of Defense of our Nation do not apply, in my judgment, to space, although space is very important.

We want to move ahead as rapidly as we can. But it seems to me that when we are spending enormous and vastly increasing sums of money which are not for defense, we should require at least the minimum attention to competitive bidding, particularly in view of the fact that NASA has the poor record in competitive bidding to which I referred.

Mr. CLARK. My next question has to do with the impact of the amendment of the Senator from Wisconsin on institutions of higher learning. I am desirous of seeing to it that the Commonwealth of Pennsylvania begins to get some of the contracts for research and development in the space field which it does not now have. The institutions of higher learning in Pennsylvania are quite capable of carrying out the kind of work that has been concentrated in a few States heretofore. Would the amendment of the Senator from Wisconsin have any adverse effect on the efforts of Governor Lawrence, myself, and many others, to persuade NASA to put some of its research and development fieldwork in some of the universities of my Commonwealth?

Mr. PROXMIRE. Frankly, it was the intention of the Senator from Wisconsin—and I think that is the way the amendment would be construed—to assure that there would not be competition between universities for NASA work. The exception in the law now provided is that the purchase or contract for any university, college, or other educational institution is exempted.

I feel that the Administrator would have every right to say that such competitive bidding would frustrate the intent of the act if he should try to set up a competitive system between universities. It would not work. It would not be practical.

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

Mr. PROXMIRE. Mr. President, I yield myself an additional 2 minutes.

Such a system would not work. It would not be practical. I would be opposed to it. It is my construction of the amendment that it would be perfectly possible, every time such a procurement was made for the Administrator merely to say—and I speak in respect to a university or an educational institution and not to a corporation or a company operating for profit—that under such circumstances competitive bidding would not be applicable or appropriate and would frustrate the purposes of the act.

In conclusion, the amendments recognize that it is necessary for the National Aeronautics and Space Agency to make a great deal of its procurement in big systems. With research and development and technology advancing at a terrific rate of rapidity, and only a few well qualified companies available, it is difficult for the Administration to have a very good record of advertised competitive bidding. I would not expect them to show a percentage of 80 percent or even 40 percent of advertised competitive bidding. But certainly 9 percent is an extraordinarily low rate. It is not adequate. It seems to me that we can insist on this requirement, which at least would make it necessary for the Administrator to find that it is impracticable to have competitive bidding before he resorts to negotiations.

Mr. President, I reserve the remainder of my time.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. HART. In the judgment of the Senator from Wisconsin, would his proposal ease or make more difficult the effort to broaden the sources of space supplies?

Specifically, I have in mind, as the Senator has indicated, that there are relatively few sources from which the agency can procure. That may be regrettable.

Mr. PROXMIRE. That is correct. The amendment would open it up. A number of people in Wisconsin have come to me who have told me that they wanted to have a chance to do research in space. They wanted to do that very much. However, they felt that they were too small and did not have an opportunity to bid to the extent which would permit them to grow and thus provide an additional source of procurement.

Mr. HART. Is it the Senator's judgment that such sources could submit lower bids than the skilled people who now submit the bids?

Mr. PROXMIRE. Under some circumstances, they could. I shall shortly call up my second amendment, which relates to a study of scientific manpower.

Our real shortage, after all, is in the scientific manpower field.

Mr. HART. I apologize. I did not know that two amendments were being considered.

Mr. PROXMIRE. One amendment is now pending, but I shall call up my second amendment, which provides for a study of scientific manpower.

Mr. President, I reserve the balance of my time.

Mr. KERR. Mr. President, I yield myself 5 minutes.

The Senator from Wisconsin does not seem to be aware of the fact that NASA is operating under the Armed Services Procurement Act in the same manner and under the same specifications under which the Defense Department is operating.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. KERR. I did not ask the Senator to yield on his time. He will have some time of his own.

Mr. PROXMIRE. Certainly.

Mr. KERR. NASA has the same requirements with reference to procurement, advertising, purchasing, and certification by the Administrator, that the Defense Department has.

The Senator from Wisconsin has stated that he wants it arranged in such a way that small business can get a share of the advertised items. The fact is that a much bigger percentage of advertised offerings are accepted by NASA than by the Defense Department. In the closing half of the last calendar year, 66 percent of all of NASA's contracts and transactions, including not only those advertised, but also those competitively negotiated, were with small business.

The Senator from Pennsylvania was interested in the university part of it. The amendment of the Senator from Wisconsin provides:

(c) To the maximum practicable extent, purchases of and contracts for property or service 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.

The fact is that in the past year 56,000 contractual transactions, all told, were had with NASA, including those with educational institutions. The effect of the Senator's amendment would be that it would be necessary for the Administrator to provide certification for each one of these 56,000 transactions.

He would not have time, in the 365 days of the year, to do that, even if that were all that he had to do.

Mr. President, I ask unanimous consent that my complete statement, including a summary by the then Assistant Secretary of Defense, Mr. Perkins McGuire, in answer to the Senator's remarks be placed in the RECORD at this point.

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

STATEMENT BY SENATOR KERR

NASA has the identical statutory authority for contracting as the Army, Navy, and Air Force are provided under the Armed Services Procurement Act of 1947, chapter 137, title 10, United States Code. Section 301(b) of the National Aeronautics and Space Act specifically places NASA under the same law. The Congress determined to provide for NASA's procurement affairs in this way because NASA and the various agencies of the Department of Defense deal to a considerable extent with the same industries and face similar contracting problems. It is NASA policy to prescribe procurement regulations which, to the maximum practicable extent, are consistent with policies and procedures adopted by the Department of Defense. This avoids conflicting procurement regulations and, therefore, simplifies and minimizes the difficulties which industry faces in dealing with the Government and with NASA in particular.

Two requirements already in the present statute and in NASA regulations bear upon the amendment offered by the Senator from Wisconsin. First, formal advertising must be used whenever possible. Second, even if a contract has to be negotiated, rather than formally advertised, competition must nevertheless be obtained from several competent sources whenever this is possible. In

my judgment, NASA has followed these rules consistently and conscientiously.

When the procurement statute became law in 1948, the Congress had carefully studied the question of whether all contracts could be made by formal advertising. It finally came to the realistic conclusion that there were certain types of situations—17 categories, in fact, specified in the Armed Services Procurement Act—where the public interest makes it proper and desirable that contracts be made by negotiation rather than advertising. Two of these 17 categories authorize waivers of formal advertising for competitive bids where the procurement involves research and development items, or contracts with educational institutions. These two alone represent a very large percentage of NASA total purchases by negotiation; in fact, 84 percent of the total negotiated dollar volume for the last half of calendar 1962 are in these two categories. Moreover, in all procurements for research and development of over $100,000 the Administrator now does make a personal determination when formal advertising is not possible. No personal determination by the head of the agency is required by the law for contracts with educational institutions, since formal competition is response to advertising is not a practicable method for the Government to follow in utilizing the unique capabilities of a given institution of learning.

I recognize, as did the Senator from Wisconsin in his remarks yesterday, that only 9 percent of NASA's current procurement by dollar volume is awarded through formal advertising.

It is difficult to make a comparison of this figure with the DOD experience. The NASA procurement program is substantially all concerned with R. & D. functions, while the DOD, in addition to research and development effort, has a substantial volume of procurement of standardized military hardware, housekeeping items, as well as other consumer goods available in the commercial market. Many of these standard items lend themselves to formal advertising under detailed specifications. This element in the DOD purchases is, therefore, absent in large degree from NASA procurement. Nevertheless, it is significant that DOD from July 1961 to April 1962 awarded approximately $22 billion, of which 12.7 percent was by formal advertising; 26.6 percent by competitive negotiations, and 60.7 percent by noncompetitive negotiation. The most recent NASA record for a 6-month period ending December 1961 was 9 percent, 42 percent, and 49 percent, respectively.

The Senator from Wisconsin yesterday used some DOD procurement figures which indicated small business gets a much larger share of advertised procurement than it does of negotiated contracts. I believe he quoted as much as 50 percent of the advertised offerings went to small business. Again, I cannot be certain that the NASA figures are on the same comparable base, but small business in the closing half of the last calendar year was awarded 66 percent of all NASA's contractual transactions including not only those advertised, but also those competitively negotiated. As a matter of fact, 20 of NASA's 100 biggest contracts are held by small business concerns.

The NASA figures I have cited are based upon the proportion of transactions going to small business, not the dollar volume, which is much less. The proposed amendment of the Senator from Wisconsin evidently assumes that an enforced increase in formal advertising will automatically produce for small business a larger percentage of the procurement dollars.

This view again does not take into full account the nature of things which must be purchased to meet the Government's needs. The fact is that the large dollar contracts for complex items, such as new aircraft, missiles, engines, and spacecraft, are beyond the resources of small business concerns to handle even if all such procurements could be formally advertised. In the R. & D. field especially it is this category of contracts in the civilian space field as well as the R. & D. fields of defense procurement which obligate the large majority of R. & D. dollars and which can only be handled by negotiation.

Now what will be the result if the Administrator of NASA were required, as the Senator from Wisconsin proposes, to review a detailed justification and sign a determination to waive advertising each time a purchase is negotiated, regardless of its type or its amount? During the first 6 months of the past fiscal year, NASA had 56,000 contractual transactions all told. The great majority of these were for small items such as supplies and equipment for the field laboratories, and, as I stated earlier, the great bulk of these—some two-thirds of all transactions—go to small business now. If Mr. Webb were required to make a personal determination in such procurements, he would not have time to do much else in managing the overall space program.

If the agency staff, instead of using the legal exceptions for items under $2,500, were required by statute to advertise formally or to write a specific justification for waiver each time for execution by the Administrator, then the cost of the paperwork would, in many instances, exceed the cost of the purchased items, to say nothing of the cost in time and manpower frustrated by this built-in procedural delay. The consequences for the success of the space program are obvious.

Finally, let us look at the close interrelationship between NASA and DOD contracting. NASA now obtains almost one-fourth of its total work through orders placed in the other Government agencies, and, in fact, 23 percent of its total dollar volume was actually placed on contract through awards made by the Department of Defense. This arrangement is a very convenient and economical way for NASA to purchase certain items already in development by DOD in that it avoids the costs of separate contracts, separate tooling, and duplicate contract services. It would be a serious disruption if the intent of the Senator's amendment were to inhibit this flexibility in having the DOD handle these items for NASA, since the basic procurement authority of the two agencies is now identical.

This uncertainty is one of many which point up the question raised in my mind by the amendment of the Senator from Wisconsin. I am confident there is not a serious problem involving the competitive aspects of NASA procurement act and, in fact, feel that this new space program has thus far been handled in a way which has produced an amazing amount of the most spirited competition throughout industry. However, if there be even a potential problem, as the Senator from Wisconsin implies, then this problem springs from the same elements which characterize the defense procurement programs. The Congress adopted a special procurement law to meet the exigencies of such procurement situations, and this law has been in effect for 14 years. The regulations stemming from this statute have been progressively refined and improved to keep abreast of the problems which, experience has revealed, need attention.

Now that questions are being raised about the merits of competitive negotiation of R. & D. contracts as an alternative to formal advertising, I thought it might be well to review the history of procurement by our Government. Perhaps in this way we might familiarize ourselves with some of the advantages and disadvantages of various procedures and be in a better position to judge the desirability of current procurement practices.

The task of making such a historical review is quite formidable but I find that such an effort has been attempted and was concisely presented to the Procurement Subcommittee of the Committee on Armed Services in 1960 by the then Assistant Secretary of Defense (Supply Logistics) Perkins McGuire, which follows this statement.

What this proposed amendment would attempt to do is to change this procurement law for NASA, but not for the military departments. It would seek this without congressional hearings and without thoughtful consideration of what effect this exception would have on NASA's effectiveness with DOD and with industry. The change would be confusing to contractors as well as NASA. It will increase the cost to the Government in the complicated procurement process and delay this vital space program at the very time a national goal has been established to speed up this promising technological effort.

If the present procurement law is not achieving the results of obtaining competition and increasing the amount of formal advertising as much as some may feel can be done, then amendments to the basic procurement law should be proposed. These should affect all the agencies and departments which operate under its criteria, hearings on it should be held, and thoughtful consideration given to the results.

I conclude that this authorization act for the civilian space program is not the vehicle to cause a change in a basic procedural statute which safeguards such a large portion of the Government's total procurements. I urge that this body disapprove the amendment.

HISTORICAL DEVELOPMENT OF PROCUREMENT METHODS

In this second presentation, we will discuss the history and development of our two methods of procurement, formal advertising and negotiation. As is well known, our present law, chapter 137 of title 10, United States Code, which amended and codified the Armed Services Procurement Act of 1947, requires DOD contracts for property or services to be formally advertised, except under 17 specific situations where negotiation may be used. It may not be so well known, however, that for over 150 years the Congress, in times of peace and of war, has concerned itself with the problems of military procurement, including the uses of formal advertising and negotiation. Many laws have been enacted over this span of years. In fact, even a brief reference to these laws should impress one with the understanding and awareness of the Congress to the problems of military procurement and with the dispatch and foresight with which it has responded to them.

We wish to discuss first, in somewhat summary form, a general introduction to the historical development of our present law, and secondly, in the light of that background, the specific history and development of each of the 17 exceptions. We feel it will shed much light upon the whys and wherefores of our present law, policies and procedures concerning these two methods of procurement.

INTRODUCTION

Military procurement began, of course, even before the founding of our Nation. The problem of equipping and supplying the forces of George Washington must have been as complex in those days as the problems of the missile and space age are today. Our Nation was still an infant when familiar questions arose—Who should control military purchasing?—How should it be accomplished?

In 1792, Congress provided that War Department supplies would be purchased by the

Treasury Department. Just 6 years later in 1798, however, the War Department and the newly created Navy Department were authorized to procure all the supplies and services needed for the military and naval services.

In 1809, the first Federal statute requiring advertising for bids appeared. In pertinent part it read:

"All purchases and contracts for supplies or services which are or may, according to law, be made by or under the direction of either the Secretary of the Treasury, the Secretary of War, or the Secretary of the Navy, shall be made either by open purchase, or by previously advertising for proposals respecting the same."

Although a literal reading of this early statute would indicate contracting officers had a choice between two equally available methods of procurement—open purchases or advertising for proposals, the Attorney General interpreted it to require advertising except where public exigencies necessitated immediate contract performance. In the latter case, procurement of urgently required items could be made in the open market in the manner of ordinary commercial transactions.

Subsequent statutes developed specific ground rules for advertising. In 1842, a law dealing with stationery supplies and printing required:

(i) Advertising for bids once a week for at least 4 weeks in a newspaper published where the work was to be performed;

(ii) Description of the required supplies or services in the advertisement;

(iii) Sealed bids opened under the direction of the procurement officer in the presence of at least two persons; and

(iv) Award to the low bidder, provided he could furnish security for the Government in case of default.

In 1843, a statute added another requirement—the preparation of an abstract of bids. In 1852, contracts were required to be advertised at least 60 days before award and the presence of bidders at the bid opening was authorized. These requirements are quite similar to those now set forth in section 2305 of chapter 137.

In 1860, a landmark statute was passed. It was later incorporated in section 3709 of the Revised Statutes and, in pertinent part, provided:

"All purchases and contracts for supplies or services, in any of the departments of the Government, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require the immediate delivery of the articles, or performance of the service. When immediate delivery or performance is required by the public exigency, the article or service required may be procured by open purchase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals."

The particular significance of this statutory provision was the requirement of advertising with only two exceptions—contracts for personal services and contracts where public exigencies necessitated immediate performance. This statute, with certain exceptions which will be referred to later, continued to regulate the placement of military contracts until World War II.

Additionally, one further and important exception to section 3709 of the Revised Statutes must be mentioned. Not only the courts, but also the Attorney General and the Comptroller General consistently ruled that advertising was not required under that statute in circumstances which made competition impracticable, such as the existence of only one source. From these early days on, then, in cases where only one source was available, neither the War nor Navy Department utilized the procedures of formal advertising to effect such procurements.

Less than 2 weeks after Pearl Harbor, the Congress enacted title II of the First War Powers Act of 1941. This authorized the President to empower agencies connected with the war effort to enter into contracts without regard to existing provisions of law, wherever such action was deemed to facilitate prosecution of the war. On December 27, 1941, Executive Order 9001 implemented the act and authorized the War and Navy Departments to make contracts without compliance with statutory requirements for formal advertising. Again, on March 3, 1942, another positive step was taken. The Chairman of the War Production Board prohibited all contracting by the formal advertising method unless specially authorized. For the duration of the war, the great bulk of military procurement was negotiated under the authority of title II of the First War Powers Act.

At the close of World War II a study was initiated for the purpose of developing peacetime procurement methods. The proposed bill which evolved from that study was transmitted to the Congress by the Acting Secretary of the Navy who stated that its primary purpose was to permit the War and Navy Departments to award contracts by negotiation when the national defense or sound business judgment dictated the use of negotiation rather than the more rigid formal advertising procedures. The Senate Committee on Armed Services in commenting on the purpose of the bill in its report stated:

"This bill, as amended, provides for a return to normal purchasing procedures through the advertising-bid method on the part of the armed services, namely, the War Department, the Navy Department, and the U.S. Coast Guard. It capitalizes on the lessons learned during wartime purchasing and provides authority, in certain specific and limited categories, for the negotiation of contracts without advertising. It restates the rules governing advertising and making awards as well as fixing the types of contract that can be made."

This bill was eventually enacted as the Armed Services Procurement Act of 1947. While it was codified in 1956, with minor amendments in chapter 137 of title 10, United States Code, this basic law has governed defense procurement for 12 years. The flexibility which its drafters and the Congress built into it has enabled DOD to operate under it in times of peace, the Korean hostilities, and the present cold war. It was and still is a good law. While this characterization is directed toward its provisions for formal advertising and negotiation, the same comment could be made of its other provisions. We sincerely believe this basic law is equal to the tremendous task we face today and visualize in the foreseeable future. This is not to say that some helpful amendments might not appropriately be made.

Mr. KERR. The fact is, if the Senator wants to change the Armed Services Procurement Act, under which NASA operates, with all the specifications now applicable to the Defense Department, he should move to amend the Armed Forces Procurement Act, which is constantly under review by the Armed Services Committee of the Senate. The Department of Defense spends between $45 billion and $50 billion a year; whereas NASA has thus far spent a little less than $2½ billion a year.

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

Mr. KERR. I yield to the Senator from Missouri.

Mr. SYMINGTON. As I understand the able Senator from Oklahoma, what he was saying is that NASA, from the standpoint of small business, operates under the same legislation under which the Department of Defense is operating. Is that correct?

Mr. KERR. That is correct.

Mr. SYMINGTON. I ask the Senator whether it is not a fact that in this astronautic and space work there is at least as much necessity for negotiated bidding, because the art is so new. In general, and at the risk of oversimplication, this is the type and character of work for which the average small business does not have as adequate skilled research and engineering capacity as the larger firms have. But small business can and does have every opportunity to obtain subcontracts from the prime contractor.

Mr. KERR. The Senator is correct.

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

Mr. KERR. I yield myself 5 additional minutes.

Mr. SYMINGTON. I ask my able friend from Oklahoma if he does not believe that really the best way to obtain savings in this field is through maximum improvements in management?

Mr. KERR. Yes.

Mr. SYMINGTON. I notice that the Secretary of Defense has stated that within 5 years we will have a $3 billion saving, $750 million saving this year, because of the small amount of unified operation he has already established, under his authority that which he can do without the necessity of additional legislation.

Now I have already noticed some criticism in Congress with respect to some of Secretary McNamara's fine work incident to getting maximum return for the taxpayers' defense dollar.

Does not the Senator agree with me, if we were to establish arbitrary rules which made it necessary, as the able Senator has pointed out, to get into more administrative redtape, in order to see that small business would receive business it might delay the whole space program to the point where, in addition to mismanagement and waste, it could affect the security of the Nation?

Mr. KERR. I agree with the Senator. The other amendment could place restrictions on the number of personnel that NASA can employ. It would be contradictory to the effect of the pending amendment, because if the pending amendment were adopted it would require a great increase in the personnel of NASA in order to carry out its provisions.

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

Mr. KERR. I yield.

Mr. SYMINGTON. I was not going to bring up a discussion of the second amendment at this time. I was not on the floor during the debate yesterday, but have read the RECORD. As I understand it, my able friend from Wisconsin, for whom I have the greatest respect, believes it might not be proper to put more money into the space field, because we are not putting enough money into

the educational field. That is my understanding, from reading the RECORD. But two wrongs do not make a right.

I would think that as to this problem of education, the best way to handle it would be to give research and development to those companies which can do the job; and also have legislation passed which would require more colleges and more universities and more medium and small businesses to be brought in so they could handle the type and character of research for reputable bidders in this field. Does not the Senator agree?

Mr. KERR. I agree. I would say further that the very language of the Senator's amendment would impair the opportunity of the Administrator to continue his program of negotiating with State universities and colleges. The effort to increase the number of those trained in science necessary for work in the space field, would be curtailed, impaired, or destroyed.

Mr. SYMINGTON. Mr. President, will the Senator from Oklahoma yield time to permit me to make a short statement?

Mr. KERR. Will the Senator from Missouri let me yield, first, to the Senator from Mississippi? I do not want to run out of time.

Mr. STENNIS. I thank the Senator from Oklahoma for yielding to me.

It is largely for the purpose of emphasis that I wish to refer to the very fact the Senator from Missouri has mentioned, with regard to the present effectiveness of the procurement of materials and commodities by the Department of Defense, headed by Secretary McNamara. In his recent announcement, the Secretary announced savings for this year, and the possibility of up to $3 billion in savings in the years to come. I commend him highly for his outstanding effort in that field.

Is it not true that if such good progress is being made by the Department of Defense, NASA, operating under the same system, certainly would be doubly challenged to keep up at the same relative pace?

Mr. KERR. The Senator from Mississippi is correct. I am not sure but what NASA has already demonstrated that it is meeting the challenge.

Mr. STENNIS. The honor is well distributed. I commend what the Senator from Oklahoma and the Senator from Missouri have said.

Mr. KERR. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 5 minutes remaining.

Mr. KERR. I will yield a minute and a half to the Senator from Missouri; however, I would appreciate it if he would allow the Senator from Wisconsin to close his part of the debate.

Mr. PROXMIRE. Mr. President, since it is my amendment that is under consideration, I would appreciate it if I might close.

Mr. KERR. Mr. President, I yield a minute and a half to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, the record will show that in August 1957, at a time when most people were disinterested in the space program, a member of the previous administration appeared before the Subcommittee on Military Appropriations of the Senate Committee on Appropriations and asked for an additional $43 million. Saying at that time the reason he was asking for the additional money was to make certain the United States would be first in space.

Within a few weeks, the first Russian sputnik was launched, and it was many months before this country was able to launch a comparable satellite.

I hope the able Senator from Wisconsin will not at this time attempt to jeopardize the future of the space program by seeking to place any further limitations on the provisions which Congress has already imposed for small business. I know of no Member of this body who has worked harder than has the senior Senator from Oklahoma, a man of long business experience, to analyze this budget. He has done his best to eliminate all unnecessary expenses. I hope everything possible will be done to make certain that the space program is administered with maximum efficiency for the taxpayers, and in the interest of national security.

Mr. STENNIS. Mr. President, will the Senator from Oklahoma yield me 1 minute?

Mr. KERR. Mr. President, I yield 1 minute to the Senator from Mississippi.

Mr. STENNIS. Mr. President, as a member of the subcommittee who attended all the hearings which followed the launching of Sputnik No. 1, and who heard all the military as well as scientific witnesses in that field, starting with Wernher von Braun, General Schriever, and others of that caliber, and also as one who followed through to a considerable degree the development of the space program, as a member of the Committee on Aeronautics and Space Sciences, I am satisfied, based upon that experience, that the position of the Senator from Oklahoma in opposing the amendment to the bill is correct. I believe the present law and present system are working remarkably well in a field which is still a pioneer field and requires great latitude for its operations.

Mr. PROXMIRE. Mr. President, I yield myself the remainder of my time.

I have the greatest respect for the Senators who have just spoken. Certainly, they are among the ablest men in the country, particularly in the fields of defense and space. Nevertheless, I honestly feel that they have not read my amendment. My amendment does not stifle the Space Agency at all. It provides:

> 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.

If the Administrator finds that competitive procurement would restrict or restrain operations, all he has to do is to say so, and to justify it in a written statement, made available to the General Accounting Office.

The fact is that small business has been hurt by the failure of our procurement program. Small business does get some of the contracts, I find that in 1961 it received 15 percent of the contracts for the NASA program. Yet small business does about 40 percent of the Nation's work and comprises about 90 percent of the corporations.

The Senator from Oklahoma said I was not aware of the fact that the Space Agency now operates under armed services procurement practices. Of course I am aware of it. I said so in my original presentation, in reply to the Senator from Pennsylvania. I pointed out, however, that so far as NASA is concerned, there is an exception through which a truck could be driven. Exception 11, which is in the Armed Forces Procurement Act, title 10 of the United States Code, subsection 2304, provides that if the purchase or contract is for property or services which the Administrator determines to be for experimental, developmental, or research work, or for making or furnishing property for experiment, then the purchase or contract is exempted from advertised competitive bidding. I submit that that provision exempts most of what NASA does. The fact is that 59 percent—three-fifths—of all their contracts come within this particular category. Under my amendments they can still have this exemption, provided the Administrator simply finds that it would be impracticable and would frustrate the purposes of the act to advertise for competitive bidding.

It seems to me that my amendment is moderate. I recognize that NASA contract awards are huge, often amounting to $100 or $200 million. I realize that under those circumstances many of the contracts have to be awarded, of course, on the basis of negotiated bidding. Nevertheless, a detailed, written explanation to the General Accounting Office and to Congress of each decision to depart from competition should be provided, and can be provided, especially for these few big contracts. Far from weakening the program, the program would be benefited.

I spoke this morning with experts in the General Accounting Office. They pointed out that on every justification for exemption from competitive bidding, there are now two or three routine paragraphs, boilerplate requirements, that are filed, to show that the exceptions in the Procurement Act are being made. What I am asking for, and what the GAO has said they would prefer, is a detailed explanation of why a project cannot be submitted to advertised competitive bidding.

I have the greatest admiration and respect for the people in our defense industry. They are wonderful and able people, but they are human beings. The fact is that when they negotiate with other human beings in the Defense Department or in NASA, it will be found over and over again that there is featherbedding—there is waste. There was waste at Canaveral. A hundred dollars a day were paid to some individuals for doing simple jobs. You will never find this under competitive bidding.

I say there should be a different standard for NASA than for Defense. NASA does different work. It is not absolutely vital for the country. In NASA there should be a limited, moderate requirement that the Administrator make these findings for exceptions from competitive bidding in writing.

Mr. President, I will yield back the remainder of my time if the Senator from Oklahoma will yield back the remainder of his time.

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

The PRESIDING OFFICER. All time has been yielded back.

Mr. PROXMIRE. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. MANSFIELD. Mr. President, on the question of agreeing to the amendments of the Senator from Wisconsin, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Arkansas [Mr. FULBRIGHT] are necessarily absent.

I further announce that, if present and voting, the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN] and the Senator from New Mexico [Mr. CHAVEZ] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Texas [Mr. TOWER] is absent on official business and, if present and voting, would vote "nay."

The result was announced—yeas 23, nays 72, as follows:

[No. 114 Leg.]

YEAS—23

Aiken	Javits	Muskie
Allott	Keating	Neuberger
Bartlett	Kefauver	Pastore
Boggs	Kuchel	Pell
Byrd, Va.	Long, La.	Prouty
Carroll	McGee	Proxmire
Douglas	Morse	Williams, Del.
Gore	Moss	

NAYS—72

Anderson	Cooper	Hickenlooper
Beall	Cotton	Hickey
Bennett	Curtis	Hill
Bible	Dirksen	Holland
Bottum	Dodd	Hruska
Burdick	Dworshak	Humphrey
Bush	Eastland	Jackson
Butler	Ellender	Johnston
Byrd, W. Va.	Engle	Kerr
Cannon	Fong	Lausche
Capehart	Goldwater	Long, Mo.
Carlson	Gruening	Long, Hawaii
Case	Hart	Magnuson
Church	Hartke	Mansfield
Clark	Hayden	McCarthy
McClellan	Randolph	Stennis
McNamara	Robertson	Symington
Metcalf	Russell	Talmadge
Miller	Saltonstall	Thurmond
Monroney	Scott	Wiley
Morton	Smathers	Williams, N.J.
Mundt	Smith, Mass.	Yarborough
Murphy	Smith, Maine	Young, N. Dak.
Pearson	Sparkman	Young, Ohio

NOT VOTING—5

Chavez	Fulbright	Tower
Ervin	Jordan	

So the amendments were rejected.

Mr. KERR. Mr. President, I move to reconsider the action by which the amendments were rejected.

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

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

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I call up my amendments designated "7–10–62—E," ask unanimous consent that the reading of the amendments be dispensed with, and that the amendments may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

The amendments are 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 subpena or otherwise, the attendance and tesimony of such witnesses and the production of such books, records, correspondence, memorandums, 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 subpena 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 ask for the yeas and nays on the amendments.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I yield myself 5 minutes.

This amendment provides for a scientific manpower study, a study which would be made by a commission to be appointed by the President specifically for the purpose. The commission would go out of existence in June of 1963.

This is a study which I think is mandatory if we are to proceed responsibly with the NASA authorizations which will have such a great impact on scientific personnel. I am deeply concerned, of course, with the great increase in the cost of NASA's program, with the enormous increase in spending. But I honestly believe that, important as is the $2 billion increase in cost, even more important are the very serious consequences of these huge expenditures on the extremely scarce scientific manpower available for scientific effort in defense,

education, industry, and space in this country.

It may be that NASA can proceed as rapidly as planned, or even more rapidly, but we do not know. We are entering into a field which I think involves the most crucial asset of the free world and, I might add, the asset which is most seriously challenged. I refer to scientific brainpower. We are asked to take steps which, according to competent testimony, may take some of our best scientific people out of defense work, out of university education, and put them into work for an agency which, although it is very important, does not directly relate to defense.

I challenge the Senator from Oklahoma and other Senators who oppose the amendments to tell me from where these scientists will come. NASA had to pick up 2,000 additional scientists and engineers last year. It will be necessary for NASA to pick up more thousands this year, and thousands more in the year to follow. From where will they come? The top scientific experts in this country are extremely worried about this situation.

I do not know of a man better able to testify on this question than Dr. James R. Killian, Jr. Dr. Killian is chairman of the Massachusetts Institute of Technology Corp., which is perhaps the greatest scientific education institution in our country. Dr. Killian was also a science adviser to former President Eisenhower. He is extremely well qualified to speak on the subject of science education, space, and military needs. On December 19, 1960, Dr. Killian 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.
>
> 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.
>
> 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.
>
> 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.

That is exactly what my amendment would accomplish. NASA would not be limited. But the amendment would assure us that in the coming year, before we act on another large authorization bill of the kind now before the Senate, we would know what we are doing. A study would be available. We would have the facts and figures.

Frankly, I was inclined to submit an amendment which would limit NASA's right to take scientists and engineers from industry and the universities. I did not do so. It would be extremely difficult to do so. The necessary data are not available. The study I have proposed would make possible a determination of whether we should take such action and whether it would be wise and necessary. The study would give us the kind of intelligence we would need.

Dr. Howard A. Meyerhoff is the Executive Director of the Scientific Manpower Commission. On the question of the impact of the kind of legislation proposed on the availability of scientists and engineers, he said:

> 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.
>
> 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 complimentary 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.

That is exactly what I am asking for in my amendment. We know that there is a shortage of scientific manpower in the field of defense. We are made aware of it every day. We have read in the newspapers about the shortage. It is a fact. There is a great shortage in education. We are creating fewer, not more, engineers and scientists.

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

Mr. PROXMIRE. I yield myself 1 more minute.

We now have fewer engineers and scientists graduating from our universities than we had a few years ago.

The fundamental challenge of Russia today is not military. On the basis of the best evidence we can get, we are winning the military challenge. The challenge is not economic. We are winning the economic challenge.

Every American should recognize that Nicholas Dewitt, the outstanding expert in our country on education in Russia, has pointed out in a very comprehensive and extremely competent study of education in Russia that Russia is creating scientists and engineers fully as competent as our own, at the rate of 125,000 a year to our 45,000 a year.

Unless we have the necessary understanding, unless we have the order, unless we have the proper organization so that we can put our top scientific manpower in the proper positions, the authorization before the Senate could really wreak havoc in the field of scientific education, defense, and industry.

My amendment merely would provide for a study which would make available the necessary intelligence.

Mr. President, I reserve the remainder of my time.

Mr. KERR. Mr. President, I yield myself 5 minutes.

I ask unanimous consent to have printed at this point in the RECORD a brief statement of manpower aspects of NASA's space program, including a transcript from the Washington Post of January 16, 1962, quoting the President at his press conference of January 15.

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

STATEMENT OF MANPOWER ASPECTS OF NASA'S SPACE PROGRAM

The junior Senator from Wisconsin yesterday offered two amendments to the NASA authorization bill. One amendment called for the President to appoint a Space Program Manpower Commission. I do not believe this to be an appropriate amendment to this authorization bill. The Senator from Wisconsin stated that the space program was depleting the scientific and engineering manpower resources of the country. He also stated there was no discussion in the hearings on how we propose to meet the problem.

To place the manpower aspects of the space program in perspective, I would like to review some of the facts.

During the fiscal year 1962 just ended, NASA had its largest increase in new personnel since it was established in 1958. This increase was 5,828 new employees, of which 2,858 were scientists and engineers. In the previous 3 years, the total of new employees was only 3,243. I am excluding from this figure the transfer into NASA of some 5,500 employees to carry on the work of the Von Braun team. This large group, however, was already existing in the Government. The 1963 budget requires a smaller increase than the year just closed. It requests only 3,450 new employees, of which about 1,150 will be scientists and engineers.

Even during this fiscal year, the year of NASA's largest planned increase, the percentage of the Nation's total pool of scientists and engineers required by NASA for its intended operations, amounted to only two-tenths of 1 percent of the Nation's total of 1.4 million.

NASA's scientists and engineers now total 8,300, which is only half of 1 percent of the Nation's scientists and engineers.

The Senator from Wisconsin stated that NASA's recruiting drive to add 2,000 scientists and engineers was very successful and has already had an alarming impact on the Nation's scientific and engineering resources.

NASA informs me that throughout its recruiting drive this past year, no company, educational institution, or Government agency protested its loss of scientists and engineers formally or informally to NASA except for one specialized governmental program. As soon as this occurred, an agreement was made with the program director to obtain his permission prior to any offers of employment.

NASA's organized recruiting drive has depended primarily on volunteers in response to news stories or advertisements. Individuals generally were not approached and requested to apply. A study of the sources of NASA's recruitment during fiscal year 1961 showed that 23 percent of its scientific and engineering hires came from other Government agencies, 21 percent were new college graduates, and 56 percent came from non-Government sources. NASA's recruiting drive has had no significant impact on the educational institutions for only 12 professors were hired in the entire agency as a result of the recent recruiting drive.

NASA has also cooperated with industrial firms who were laying off scientists and engineers due to large cutbacks in contracts—for example, General Electric and the cutback in the nuclear aircraft program.

NASA's success in its recruiting stems from the very great appeal of its new and vital program. It is an endorsement of the space program when so many volunteer for service with NASA in spite of the lower pay scales compared with industry which is the source of the majority of the scientists and engineers coming to NASA.

Lastly, NASA is cooperating with the other Government agencies and the National Science Foundation to determine the scientific and engineering manpower needs to sustain the Government programs planned for the coming years. The projected manpower needs both inside the Government and the needs generated by Government contracts are being studied cooperatively under the leadership of the National Science Foundation.

In addition, you will recall that President Kennedy called attention to factors influencing the overall manpower situation in his January 15, 1962, press conference. At that time the President announced he had assigned the task of recommending methods of increasing the Nation's supply of scientists and engineers to the President's Science Advisory Committee, the Federal Council for Science and Technology, and the National Academy of Sciences.

It is my best judgment that the space program has not, at least as yet, had any detrimental impact on the Nation's scientific and engineering manpower resources. It has had the beneficial impact of more fully utilizing these resources on a program vital to the future of the Nation.

There will be scarcities in certain space sciences and highly specialized engineering categories and NASA's best estimates on this are being contributed to those who are working on this program.

NASA's own program for research in colleges and universities will help increase the supply of trained graduates for research and development work.

I don't minimize the importance of growth in the Nation's capability in scientific and technical education. However, I do not believe the way to enhance the growth is by creating a specialized commission of one year's duration to look only at the space program in relation to a much broader and more complicated resources picture embracing all technology.

As I indicated earlier, there are other agencies of the Government with whom NASA is cooperating which should be in a position to help us identify the nature of whatever problem may lie ahead and recommend specific steps to facilitate their solution.

I urge this amendment not be incorporated in the particular authorization bill before this body.

Mr. KERR. The President had referred to the fact that there were not as many scientific and engineering graduates in 1960 as there had been in 1951, and that the number of students had fallen in 1960 as compared to 1951. The President said—

This is a matter of growing concern. It is more than a matching of numerical supply to anticipate a demand, for this alone would be difficult. Because of the seriousness of this problem for the long-range future of the United States, I have asked my Science Advisory Committee, in cooperation with the Federal Council for Science and Technology, to review available studies and other pertinent information, and to report to me as quickly as possible on the specific measures that can be taken within and without the Government to develop the necessary and well-qualified scientists and engineers and technicians to meet our society's complex needs—governmental, educational, and industrial.

In undertaking this task, the committee will draw on the advice and assistance of individuals and agencies, including the National Academy of Sciences, which will shortly begin at my request a new study of scientific and technical manpower utilization.

To all those who may be within the sound of my voice or who may follow your stories in the papers, I want to emphasize the great new and exciting field of the sciences and, while we wish to emphasize always the liberal arts, I do believe that these figures indicate a need on the national level and also a great opportunity for talented young men and women. I hope that their teachers and their school boards, and they, themselves, and their families, will give this matter consideration in developing their careers.

In other words, the President of the United States has already appointed such a committee, drawing on the scientific personnel and agencies of the Government to cooperate with him in ascertaining the information referred to by the President as being necessary, and by the Senator from Wisconsin in his statement.

So, first, there is such a committee now in existence appointed by the President to make the study which the Senator from Wisconsin would seek to have made by his amendment.

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

Mr. KERR. I yield.

Mr. SYMINGTON. Again I express my respect for the knowledge and ability of the Senator from Wisconsin. It seems to me that basically he wishes to save money for the taxpayer. In this connection there are many things with respect to Government I am not certain about. But in my own mind I am certain we already have sufficient boards, committees, commissions, and bureaus. In the present case the problem can be handled, as I see it without establishing an additional commission.

During World War II in certain fields we had severe personnel shortages. For example, I remember that at one time tool engineers were in critical shortage. In those days electronics was a new industry. There was a very great shortage of skilled scientists and engineers in that field. A priority was therefore established by this Government.

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

Mr. KERR. I yield myself 5 additional minutes.

Mr. SYMINGTON. Under Director Webb and Secretary McNamara there is a maximum of cooperation. Therefore, when we come to the problem of such shortages, it can be handled now as it was handled during World War II; namely, the heads of NASA and the Defense Department can get together and agree on what priority various orders should have, what is needed most and most quickly.

That was the only way it could have worked in World War II with the shortages in research and development obtaining at that time.

It is now becoming more and more clear that we do not have enough engineering and research talent in these great new fields of astronautics, electronics, and space nuclear energy, and so forth. No commission or committee or board or bureau will satisfy that shortage.

In my opinion the Senator from Wisconsin made a good point yesterday when he talked about the lack of adequate effort in the educational field for research and development engineers. But the proposed Commission could not decide anything that cannot be decided by the Department of Defense and NASA together, on a priority basis. In the second place, no Commission is going to give us more engineers and research students to handle the grave problems we face today because of these very shortages.

I thank the Senator.

Mr. KERR. I thank the Senator for his pertinent remarks. I would say in that regard that the Director of NASA always discusses with DOD the requirements with reference to a given project for scientific personnel available in a given organization with whom negotiations are underway. They still carry on unofficially some sort of deliberation and consideration leading to the decision of priorities in connection with the available scientific and engineering personnel. That was the program of the Department of Defense during the war.

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

Mr. KERR. I yield.

Mr. SYMINGTON. The NASA people and the Department of Defense people have the normal and natural advantages of a buyer, a buyer discussing such a matter with a seller, in this case the corporations supplying the goods. The Government Department in question can specify the priorities they think are necessary from the standpoint of national security and in recognition of shortages that exist. Does not the Senator agree?

Mr. KERR. I agree with the Senator. I would say further that the whole question of scientific personnel and scientific education has been placed by the President under a new scientific agency created by Executive order under the reorganization authority, and which has become effective under action of Congress. Dr. Wiesner has been nominated to be Director of the agency, and his nomination is before the Senate for consideration and confirmation.

As the President's scientific adviser, Dr. Wiesner, has had the Science Foundation and the Academy of Sciences working on this problem ever since he came into the Government at the beginning of the administration. He has been working to develop the very information for the President, with availability to the Congress, which the Senator from Wisconsin is seeking to obtain by the appointment of a Presidential commission.

Mr. President, if the Senator from Wisconsin wishes to press his proposal he should go to the Committee on Government Operations. In that regard I remind Senators that early this year the distinguished Senator from Arkansas [Mr. MCCLELLAN] introduced proposed legislation of a similar nature to that which the Senator from Wisconsin is offering as an amendment to the pending

bill. That bill is now under consideration by the Government Operations Committee, where it should be considered.

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

Mr. KERR. I yield myself 2 additional minutes.

I refer to S. 2771, a bill to establish a Commission on Science and Technology.

I ask unanimous consent to have printed in the RECORD at this point a statement on the amendment, dealing specifically with a statement made by the distinguished Senator from Arkansas [Mr. MCCLELLAN] explaining and justifying his bill.

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

One of the major policies set forth in the bill I am introducing points up the need for the improvement of policies for recruiting, training, and utilizing scientific and engineering manpower, and the bill specifically includes as one of its major objectives the assurance of the conservation and efficient utilization of scientific and engineering manpower. The effective reorganization and coordination of existing and proposed Federal science and technological activities, as proposed by the bill, would tend to eliminate unnecessary duplication and waste of scientific and engineering manpower now being used in duplicating and uncoordinated programs operated or sponsored by the Federal Government.

Hearings were held on S. 2771 in May and it is my understanding that further hearings will be held this session. I respectfully submit that Senator PROXMIRE'S amendment should be defeated in view of the fact that the matter is already properly under consideration by the Government Operations Committee.

Mr. KERR. I remind Senators that hearings on the bill were held in May, and that further hearings will be held *this session*. I respectfully suggest to the distinguished Senator from Wisconsin, if he has views on the matter, that he appear before the Committee on Government Operations and express them in connection with the proposed legislation introduced by the distinguished Senator from Arkansas, which in reality has for its purpose the same objective which the amendment of the distinguished Senator from Wisconsin would have, which amendment he seeks to attach to the pending authorization bill.

Therefore not only is the amendment unnecessary, but it is also inappropriate as an amendment to the space authorization bill.

Mr. PROXMIRE. Mr. President, I yield myself 4 minutes.

The Presidential suggestion for a study to which the Senator from Oklahoma has referred was placed in the RECORD by me last January. It was dealt with in the President's press conference. I agree with the President that study complements but does not duplicate what I seek to accomplish by my amendment. The Presidential study to which the Senator from Oklahoma has referred is a study to review available studies and other pertinent information, and I now quote from the President "to report to the President as quickly as possible on the specific measures that can be taken within and without the Government to develop the necessary and well-qualified scientists and engineers and technicians to meet our society's complex needs—governmental, educational, and industrial."

This Presidential study will require 15 or 20 years, to have real effect, because we are not now enrolling into our universities and colleges freshmen who are interested in going into science and engineering in the same proportion as heretofore. What I am proposing is a study that will determine immediately the limited available supply as of June 1963 in view of the terrific impact on the limited number of scientists by this huge authorization.

My amendment would seek a determination as to where we are going to get the needed scientists, what priorities should be established, and what effects, specifically, the space authorization bill would have on scientific manpower in defense and education and other areas.

We cannot wait hopefully while we graduate more scientists who will be trained, experienced, and available in 1975 or 1982 to do the job that must be done in the next few years.

It seems to me, with all respect for the very distinguished and able Senator from Oklahoma, that the proposal in the bill as it stands now would not provide within the next year the kind of intelligence and understanding that we should have now.

I support the President 100 percent in his desire for a long-range study. He is asking how we can better develop and train more scientists, how we can secure a greater supply of scientists and engineers, how we can encourage more students to enter this field. But that would help 10 years from now. This bill will have its effect next year and the immediately following years. My amendment would deal with this presently available supply. There is now a serious shortage. That shortage would be made more serious by the authorization before us, which amounts to $2 billion, for two reasons. The relationship between the amount of money expended and the labor is as high as in the case of this authorization as in any authorization that has come before us. Most of it would go into wages and salaries. Furthermore, the combination of wages and salaries is heavily weighted on the side of scientists. This happens at a time when there is an extraordinary limitation on available scientific personnel.

That is why my amendment which provides for a commission to study the problem and then go out of business on June 30, 1963, is appropriate to the authorization bill now before the Senate. It does not contradict what the Senator from Arkansas [Mr. MCCLELLAN] has proposed or what the President is studying. I believe the amendment to be most essential because of the serious impact on the limited scientific personnel available—even more serious than the great impact on the economy and the taxpayers.

This is a responsible amendment to enable Congress to act with its eyes open, not shut or half shut, as they are now.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield me 2 minutes?

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the distinguished Senator from Pennsylvania.

Mr. CLARK. Mr. President, as some Senators know, I am chairman of the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare. In that capacity, it was my privilege to bring to the floor of the Senate and help to pass the Manpower Development and Training Act of 1962, which is now law.

Title I of that act directs the Secretary of Labor, with the assistance of the Secretary of Health, Education, and Welfare, to conduct a continuing series of studies concerning the manpower needs of the country in the interest of staffing freedom. The studies will deal not only with ditchdiggers; they are to deal also with nuclear physicists.

I believe that manpower planning is one of the most important problems which we should be attempting to solve. I am happy to say that under that act the Secretary of Labor is directed to utilize other Government agencies to help to solve them.

One of the chief bottlenecks to our progress, as the Senator from Wisconsin says, is insufficiency of scientific manpower. I believe a special study by a special commission of our present and foreseeable needs for scientific manpower would be most useful. I think such a study should be conducted under nonpartisan auspices, by which I mean that no one who has a particular interest in acquiring scientific manpower should conduct the study. A presidential commission would therefore be an excellent device, particularly since it would be a temporary commission, which would report by the middle of next year for the guidance of the administration and Congress.

Mr. President, for these reasons I intend to support the amendments of the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Pennsylvania.

Mr. KERR. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 4 minutes remaining.

Mr. KERR. I note the presence in the Chamber of the distinguished Senator from Arkansas [Mr. MCCLELLAN], chairman of the Committee on Government Operations. Since I have taken the liberty to say that if the amendments were to be considered, they should be considered by his committee, I should like to ask him if he has any comment to make on the amendments.

Mr. MCCLELLAN. Mr. President, the Committee on Government Operations, of which I am the chairman, has before it Senate bill 2771, which I introduced some time ago. The committee is making preparations for hearings on the bill. I do not know that it will be possible to complete action on the bill at this session; that is doubtful. However, the bill has a serious purpose, namely, to establish a commission for the purpose of con-

ducting a study and making such recommendations to Congress as the committee believes are pertinent to present conditions.

Mr. KERR. I presume the Senator's committee is available to the distinguished Senator from Wisconsin [Mr. PROXMIRE] if he wishes to be heard on the bill or to offer amendments.

Mr. McCLELLAN. Of course, the committee is available to any Member of Congress. Its forum will be made available to all who are interested in the subject matter or who have something constructive to offer in the form of evidence or suggestions.

Mr. KERR. Either with reference to the bill before the Senator's committee or another of a similar nature.

Mr. McCLELLAN. Of course. In my judgment, this is a subject which requires the collective wisdom of the best minds. I do not think it is a project to be considered without minute attention.

Mr. KERR. I thank the Senator from Arkansas.

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

Mr. PROXMIRE. Mr. President, I understand I have only 2 minutes remaining. My proposal is for a specific study for a specific purpose. I should like to read from Dr. Meyerhoff's letter to me. He said:

> 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.

What would my proposal accomplish? This is the heart of it:

> 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.

Mr. President, this is the logical, appropriate, and only place for this kind of amendment.

The Senator from Arkansas [Mr. McCLELLAN] is concerned with a very important study. He has every reason to consider it in great detail. But this is the appropriate place to propose the kind of study my amendment would authorize. We must not overlook what could be a devastating impact on scientific personnel in education, in industry, and in defense from this particular authorization. Most of this huge authorization—a vast amount of it, at least—would be used for scientific personnel in all these areas.

For this reason, I press my amendments. I yield back the remainder of my time. I understand that the yeas and nays have been ordered.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendments of the Senator from Wisconsin [Mr. PROXMIRE]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Arkansas [Mr. FULBRIGHT] are necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], and the Senator from New Mexico [Mr. CHAVEZ] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Texas [Mr. TOWER] is absent on official business. If present and voting, he would vote "nay."

The Senator from Arizona [Mr. GOLDWATER] is detained on official business. If present and voting, he would vote "nay."

The result was announced—yeas 12, nays 83, as follows:

[No. 115 Leg.]

YEAS—12

Bartlett	Gore	Kefauver
Carroll	Hart	Morse
Clark	Humphrey	Neuberger
Douglas	Javits	Proxmire

NAYS—83

Aiken	Gruening	Moss
Allott	Hartke	Mundt
Anderson	Hayden	Murphy
Beall	Hickenlooper	Muskie
Bennett	Hickey	Pastore
Bible	Hill	Pearson
Boggs	Holland	Pell
Bottum	Hruska	Prouty
Burdick	Jackson	Randolph
Bush	Johnston	Robertson
Butler	Jordan	Russell
Byrd, W. Va.	Keating	Saltonstall
Cannon	Kerr	Scott
Capehart	Kuchel	Smathers
Carlson	Lausche	Smith, Mass.
Case	Long, Mo.	Smith, Maine
Church	Long, Hawaii	Sparkman
Cooper	Long, La.	Stennis
Cotton	Magnuson	Symington
Curtis	Mansfield	Talmadge
Dirksen	McCarthy	Thurmond
Dodd	McClellan	Wiley
Dworshak	McGee	Williams, N.J.
Eastland	McNamara	Williams, Del.
Ellender	Metcalf	Yarborough
Engle	Miller	Young, N. Dak.
Ervin	Monroney	Young, Ohio
Fong	Morton	

NOT VOTING—5

Byrd, Va.	Fulbright	Tower
Chavez	Goldwater	

So Mr. PROXMIRE's amendments were rejected.

Mr. KERR. Mr. President, I move that the vote by which the amendments were rejected be reconsidered.

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

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, before a final vote on the bill, which I understand, under the unanimous-consent agreement, is about to be taken, I ask unanimous consent that two brief statements relative to subjects discussed by the Senator from Wisconsin yesterday appear at this point in the RECORD.

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

NASA–JPL CONTRACT

Yesterday the distinguished Senator from Wisconsin raised a question concerning the nature of certain contractual relationships between the California Institute of Technology and the National Aeronautics and Space Administration as they relate to the operation of the Government-owned facility known as the Jet Propulsion Laboratory. As I stated yesterday, this is a unique organization of experienced space scientists and engineers who have a prime responsibility for certain key NASA assignments in the development, testing, and flight of unmanned explorations of the lunar environment and the planets.

Yesterday, I reported that the space agency leaders have gone into this contract carefully, and are satisfied that it is a reasonable and an economical arrangement for the Government, including the management fee of $1,200,000 paid Cal Tech. This fee amounts to about one-half of 1 percent of the total dollar volume of work assigned JPL. I now offer for the record a more complete explanation of the current arrangements Cal Tech has made for managing this Laboratory. This material was recently submitted to the NASA Administrator, Mr. Webb, under date of June 20 by the Cal Tech president, Dr. Lee A. DuBridge. If there is no objection, and in the interests of the time available for limited debate, I include the views of Cal Tech at this point in the RECORD:

JUNE 21, 1962.

Mr. JAMES E. WEBB,
Administrator, National Aeronautics and Space Administration, Washington, D.C.

DEAR MR. WEBB: The House of Representatives Appropriations Subcommittee has recently expressed interest concerning various aspects of the contract the California Institute of Technology has with your agency for the management and operation of the Jet Propulsion Laboratory.

In view of the current relationships which have been solidly developed over a period of years, I think it important that you have the attached statement which outlines the background of Cal Tech's operation of this Government-owned laboratory, and the nature of the current contract with NASA.

Sincerely,

LEE A. DUBRIDGE,
President, California Institute of Technology.

THE NASA–CAL TECH–JPL RELATIONSHIP

All but one of the research and development laboratories participating in the NASA space program are both Government-owned and directly operated by the Government (i.e., by NASA). The one exception is the Jet Propulsion Laboratory in Pasadena, Calif., which, though owned by the Government, is operated under a contract with a nonprofit educational institution—the California Institute of Technology. Certain Congressmen have raised the question as to

why this exceptional arrangement exists, and have raised doubts as to whether it is wise to continue the arrangement. This paper is an attempt to set forth certain background facts, and certain arguments and opinions relating to this question.

This discussion can most conveniently be broken down into three parts relating to the past, the present, and the future of JPL.

I. THE PAST

The Jet Propulsion Laboratory was founded by the California Institute of Technology in 1943. It was initially intended as a field station in which to carry on rocket and jet propulsion studies related to its first specific project—the development of jet assisted takeoff (JATO) equipment for aircraft. The original piece of land on which the first laboratory buildings were constructed was purchased by the California Institute, and the institute retained title to this land until 1948. The initial staff of JPL consisted entirely of members of the faculty and staff of the California Institute of Technology, and JPL was operated as a branch of the Guggenheim Aeronautical Laboratories of Cal Tech (GALCIT). The proposal for the JATO development came from this Cal Tech group—then headed by Dr. Theodore von Karman—and the (then) U.S. Army Air Corps agreed to finance the operations through a contract with the California Institute of Technology.

The JATO development was highly successful, and soon equipment was ready for manufacture and installation on military aircraft. A new, independent corporation—the Aerojet Engineering Corp. (now the Aerojet-General Corp.)—was organized to undertake production of JATO units under an Air Corps production contract.

In the meantime, Jet Propulsion Laboratory activities extended to other projects involving rocket and jet propulsion technology using both solid and liquid propellants. By the end of the war, large liquid-propelled rockets had been developed on an experimental basis which achieved record altitude flights and had the potentiality of carrying a military warhead to a ballistic range of 50 miles or more. These were the largest rockets developed in this country and were exceeded in size only by the German V–2 rockets.

At the end of the war, the California Institute anticipated that the Jet Propulsion Laboratory, wholly devoted to military work, would be terminated along with other war development laboratories. However, the United States Army believed that there were important future military applications for large rockets, as the success of the V–2 had demonstrated. Therefore, the California Institute was asked to continue the Jet Propulsion Laboratory operation, broadening its activities to include general research in jet propulsion technology, rocket aerodynamics, electronic guidance and control, and related areas of basic research.

As a service to the military establishment, the California Institute agreed to continue the operation under contract—though, since it was evident that more land would now be required and permanent buildings should be constructed, the property was sold to the Government. The Government acquired adjacent property and began a modest building construction program. This transference of title of Jet Propulsion Laboratory property to the Government made no difference in the nature of the operation. The research and development program was evolved year by year within the laboratory itself, proposals were made to the Government—principally U.S. Army Ordnance—and final programs and budgets were worked out by mutual agreement. Cal Tech assumed the responsibility of seeing that these programs were effectively carried out, was responsible for employing personnel, setting personnel policies and practices (including salary scales), and retaining intimate ties with the Guggenheim Aeronautical Laboratories and other departments on the campus.

In 1950, with the advent of hostilities in Korea, U.S. Army Ordnance requested Cal Tech to expand the Jet Propulsion Laboratory program to include the development and engineering of a military rocket vehicle for battlefield use. This vehicle was to be an engineered version of the experimental rocket known as the Corporal, which had been the result of several years of research and development work at Jet Propulsion Laboratory. At this time the administration and board of trustees of the California Institute raised the question with the Government as to whether it was appropriate for a university to carry on such a program, and whether the Government should not take over Jet Propulsion Laboratory directly. However, the highest Defense Department officials—including Mr. K. T. Keller, who was then overall coordinator of the U.S. missile program—made special pleas to the board of trustees to continue the contract operation as a service to national defense. The trustees agreed, and the Corporal program was carried on into the production phase with the Firestone Tire & Rubber Co. of Los Angeles receiving the production contract. At the same time development was begun on an improved version of such a military rocket using solid propellants, known as the Sergeant. This was carried also through production design phases, with production being undertaken (and now in process) by the Sperry Rand Corp. in Salt Lake City.

This period saw considerable expansion of the facilities and personnel of the Jet Propulsion Laboratory, to the point where it was a substantially larger operation than all the rest of Cal Tech put together. This required the recruitment of additional key scientific and administrative personnel, though the major leadership still stemmed from the original Cal Tech group. Overall direction and coordination of the laboratory, however, was still carried on by a joint faculty-trustee committee appointed by the board of trustees and headed then, as now, by Dr. Clark B. Millikan, director of the Guggenheim Aeronautical Laboratories (now the Graduate Aeronautical Laboratories) of the intstitute.

During this period close liaison was established between Jet Propulsion Laboratory and the Army Ordnance Redstone Arsenal at Huntsville, Ala., headed by Dr. Wernher von Braun. Under agreement with Army Ordnance these two organizations developed a high-altitude, long-range rocket for tests of reentry heads for IRBM and ICBM missiles. The result of this collaboration was the Jupiter-C missile, of which the first stage came from the Redstone Arsenal, and the upper stages were designed and built at Jet Propulsion Laboratory. The first Jupiter-C was successfully fired in September 1956, attaining an altitude of 650 miles and a horizontal range of 3,700 miles—both of which were records as of that date. The very first flights showed that the reentry head was successful and it was unnecessary to carry on additional flights, even though partially completed Jupiter-C units were available.

At that time the Army was not authorized to participate in the space program, though Jet Propulsion Laboratory and Redstone had jointly proposed the use of the Jupiter-C to launch an earth satellite. After the successful launching of the Russian sputnik, however, the Army was asked to attempt such a launching, and the Jet Propulsion Laboratory-Redstone group successfully launched Explorer I within 90 days of the authorization of the project. It was then evident that the Jet Propulsion Laboratory-Redstone combination provided the country with its most powerful space-capsule launching capability. They were responsible for the successful launching of Explorers I, III, IV, and VI, as well as Pioneer III (which ascended to an altitude in excess of 63,000 miles) and Pioneer IV which atttained escape speed and went past the moon into a solar orbit.

When NASA was organized, it was clear that this team consisting of the Jet Propulsion Laboratory and the Army Ballistic Missile Agency (as the Redstone Arsenal was now called) would be essential facilities for the civilian space program. Though the U.S. Army was reluctant to relinquish either of these organizations, the decision for transfer was made, and was wholeheartedly concurred in by the California Institute of Technology. It was felt then, as now, that participating in the civilian space program was a more appropriate activity for a university-operated laboratory than continued military development. During the military development period (1950–57) the ties between Jet Propulsion Laboratory and the campus of the institute had been attenuated, since the institute faculty were more interested in basic research than in military engineering and development work. With the reorientation of the Jet Propulsion Laboratory activities under NASA, the ties between the campus and Jet Propulsion Laboratory have been rapidly built up and the growing interest on the campus in space science research has led to a fruitful collaboration between the academic departments and the Jet Propulsion Laboratory.

II. THE PRESENT

This situation continues at the present time. The laboratory is operated under a management contract with NASA; the employees are all employees of the California Institute of Technology and operate under personnel policies which apply to all parts of the California Institute. The salary scales at Jet Propulsion Laboratory are essentially those applying on the campus, with only a small salary differential at the professional levels in favor of Jet Propulsion Laboratory employees as recompense for the fact that the latter have only limited consulting privileges and do not have faculty tenure. The top salaries at Jet Propulsion Laboratory, however, are no greater than the top administrative and professional salaries on the campus.

Under the agreement with NASA, Cal Tech has agreed to manage a Jet Propulsion Laboratory program directed at deep space research, taking full responsibility for the management of this program as a part of the NASA space program. The activities and achievements of Jet Propulsion Laboratory under NASA direction need not be detailed here. Suffice to say that the policies under which the Laboratcry operates under the new arrangement are the same as the policies which have been in force since the beginning of Jet Propulsion Laboratory, with due regard to the change in technical goals of the program agreed upon with NASA, and such changes in Government regulations and requirements as are promulgated from time to time.

The Cal Tech contributions to the management of the Jet Propulsion Laboratory may be summarized as follows:

1. Technical management: Although overall technical direction of Jet Propulsion Laboratory is delegated to its Director (Dr. W. H. Pickering, who also holds the title of Professor of Electrical Engineering at Cal Tech, having been a member of the Cal Tech faculty since 1936), it is the institute's responsibility to assure itself that the Director is highly competent, and it would be the responsibility of the California Institute to find a successor to Dr. Pickering if and when he should resign or retire. The president and trustees of Cal Tech believe (as do the boards of directors of most companies) that when they have chosen a chief

executive officer in whom they have confidence, he should be given broad authority to manage the enterprise under his direction. The faculty and board of trustees, however, maintain continuous contact with the administration of the Laboratory, thereby assuring themselves of the competence of the director and his top technical staff.

Though the institute does not attempt to give day-to-day direction to the technical operations of the Laboratory, a strong faculty group appointed by the trustees (headed by Dr. Clark B. Millikan, and including the president and provost) periodically reviews the work of the Laboratory, advises the Director on problems of staff, the maintenance of liaison with key scientists on the campus and elsewhere, and considers overall policy problems concerned with the mutual relations between the institute, the Jet Propulsion Laboratory, and NASA.

2. Business and fiscal management: The business and fiscal operations of the Jet Propulsion Laboratory are under the direct supervision of the institute's vice president for business affairs (George W. Green) who is responsible to the president of the institute and the board of trustees. All auditing and payroll operations for the Jet Propulsion Laboratory are carried out in the institute business offices on the campus under the same policies and procedures in force for other institute affairs, with due regard to relevant Government regulations and requirements. The Jet Propulsion Laboratory accounts are audited (along with all other institute accounts) by the independent auditing firm of Price Waterhouse & Co., and the Government auditing is supervised by the U.S. Army Audit Agency, which is also responsible for auditing all other Government contracts pertaining to campus operations. Salary policies for the entire institute, including the Jet Propulsion Laboratory are established by a joint committee, directed by the vice president for business affairs, in order that consistent practices in regard to salaries, fringe benefits, vacations, etc., are in force for the entire institute staff. Nonacademic and nonprofessional personnel salary scales are the same on the campus and at the Jet Propulsion Laboratory and are kept closely coordinated with the area rates for corresponding positions. Professional salaries are slightly higher at the Jet Propulsion Laboratory than on the campus for reasons already indicated—namely, the restricted consulting privileges and lack of academic tenure. At the top ranks, however, there is no salary at the Jet Propulsion Laboratory—including that of the Director—which exceeds the corresponding top salaries on the campus. These top salaries are very substantially below current industrial salaries and, while in line with our academic salaries, they are, at the upper levels, somewhat in excess of Government civil service salaries. Cal Tech has a reputation for excellent personnel policies, and the Jet Propulsion Laboratory staff members are happy to be Cal Tech employees and they believe they enjoy better working conditions than they would under civil service.

The vice president for business affairs also gives overall supervision to the contractual operations of Jet Propulsion Laboratory—that is, the placement and writing of subcontracts with industrial or other concerns. All such contracts are reviewed by top legal and fiscal officers selected by the institute, and major legal questions are referred to the institute's legal counsel, the well-known firm of O'Melveny & Myers, of Los Angeles.

The care with which all expenditures and contractual matters are supervised is illustrated by the fact that during the fiscal year 1961 the total expenditures disallowed under the contract were only $9 out of a total budget in excess of $90 million. Comparable records were achieved in previous years. This is an example of the meticulous care which has been exercised to protect both the institute and the Government.

3. Intangibles: It is impossible to estimate or evaluate the intangible benefits which accrue from the Jet Propulsion Laboratory being operated by a world-famous educational institution, like the California Institute of Technology. The prestige of being employed by such an institution, the privileges of association with its faculty, the use of its library, the participation in the Cal Tech Management Club and other organizations, the privilege of attending all institute lectures, seminars, etc., all enhance greatly the attractiveness of a Jet Propulsion Laboratory position and improve the possibility of securing and maintaining competent professional scientists and engineers. The effectiveness of this association is illustrated by the fact that, even though the Jet Propulsion Laboratory salary scales are below the scales in the southern California aerospace industry, the number of top people attracted away by industry has been very small indeed over the many years. It is impossible to estimate how many of the top staff would leave the Jet Propulsion Laboratory if they were put under Government civil service operations involving, for many of them, a serious financial loss and making the many industrial positions open to them far more attractive. There is no question that such a transfer would cause a major disruption in the Laboratory work.

Costs of Cal Tech management: The total budget of the Jet Propulsion Laboratory for fiscal year 1962–63 is expected to be in the neighborhood of $213 million. The budget for all other institute operations (instruction and research) will be about $18½ million. Thus Cal Tech is responsible for a Jet Propulsion Laboratory budget which is many times as large as all other institute operations combined. This is a heavy burden of responsibility which the institute is bearing as a service to the Government. Yet, the total reimbursement to the institute to cover all of its indirect, or overhead, costs and risks is only approximately 1 percent of the total direct costs. Of this amount slightly less than one-half is made up of directly identifiable overhead costs determined under the formula provided by the Bureau of the Budget Circular A–21. However, this circular was not intended for large off-campus operations of this type, and it ignores or fails fully to reimburse the institute for many costs and responsibilities which it assumes. In some cases the institute's interpretation of these rules differed from the Government estimates by $100,000 to $200,000—a deficit which the institute's private funds cannot cover. For this reason the institute has requested that a management fee of slightly over one-half of 1 percent of the 1962–63 budget (a lesser percentage if the budget rises in future years) to serve as a management allowance. Although most industrial and most nonprofit (noneducational) corporations would charge a management fee of up to 5 percent in addition to overhead, the Cal Tech reimbursement is only a little over one-tenth of this figure. For this management allowance, Cal Tech offers the following services:

1. A substantial amount of time of members of the board of trustees and of the faculty who serve on the Jet Propulsion Laboratory committee.

2. The privilege of Jet Propulsion Laboratory personnel consulting with faculty members, visiting scientists, and others, plus the privileges of the Cal Tech library, of attending and participating in scientific and engineering seminars, and other institute activities.

3. Skilled, competent, and conscientious technical and fiscal overview, as already described.

4. Active collaboration of a group of Cal Tech faculty interested in various aspects of space sciences—e.g., cosmic rays, geophysics, astronomy, radio-astronomy, etc.

5. The maintenance of a 20-year-old tradition of excellence, of good management, of cordial relations.

6. The avoidance of the very severe disruption which would come from severing one arm of Cal Tech from the remainder of the body (even though the arm is a large one).

7. The use of the Cal Tech name and reputation as an endorsement to prospective employees and to the public of the integrity of the Jet Propulsion Laboratory scientific program.

III. THE FUTURE

Unless the administration of NASA sincerely believes that the California Institute of Technology contributes significantly to the continued success of Jet Propulsion Laboratory, and that direct Government operation would not be better in the long run, it would be desirable to initiate plans for terminating this relationship. Termination will become more difficult each year and, if the present 3-year contract is to be the final one, it is not too early to discuss plans for the future.

Careful examination of the advantages and disadvantages of such termination, however, should be made. This examination could be looked at under the following headings:

1. Financial: Under civil service the Jet Propulsion Laboratory salary scale would be somewhat lower than at present. However, the salary reductions would involve only a relatively small percentage of the top-level scientific and professional personnel who are at salaries above $20,000 per year. The savings would probably not exceed $200,000 and such a change would, no doubt, result in the loss of many of these key personnel.

The Cal Tech overhead costs (currently under $1 million per year) would certainly be as great—and probably even much greater—if the Government took over the same business, fiscal, and administrative operations as Cal Tech now is responsible for. The saving in the management allowance would be compensated by substantial additional costs in headquarters operations to insure adequate technical and administrative management.

2. Quality of personnel and program: The intangible benefits of being a part of an educational institution which has attained the very highest standards in scientific and engineering work, high ideals for the scientific competence of its staff, excellent personnel policies, are hard to evaluate in terms of dollars. However, since, for a given program, it is believed that under the Cal Tech contract Jet Propulsion Laboratory affairs are managed at least as economically as under Government operations, these intangible benefits come at no net cost to the Government and constitute a qualitative bonus which would be relinquished under direct Government operation.

3. The disrupting effect of change: Because of the 20-year history of Jet Propulsion Laboratory as one division of the California Institute of Technology, the amputation of this division would be substantially disrupting for a long period of time. No doubt, in time, the wounds would be healed, but the question would still remain as to whether any advantage to the Government would have resulted which would be worth the cost. There is no evidence that Jet Propulsion Laboratory would perform any more effectively, more efficiently, or at lower cost under Government operation—and, indeed, it can be argued that the reverse is true.

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RELATIONSHIP OF PROJECT SURVEYOR TO LUNAR PROGRAM

In the course of his discussions yesterday, the distinguished junior Senator from Wisconsin, according to the printed RECORD, left the impression that by 1966 NASA expects to have a manned lunar flight. In questioning the validity of the Surveyor Project, an unmanned lunar exploration program, the Senator stated, "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 do not know the basis for his statement by the Senator from Wisconsin, but I have carefully checked to determine whether there has been any change in the objectives set forth last year by President Kennedy in regard to the achievement of manned lunar flight.

Last year the Congress, on the recommendation of the President and the National Aeronautics and Space Council, which is composed of representatives of the NASA, the Department of Defense, the Atomic Energy Commission, and the State Department, made the national decision to land a team of U.S. explorers on the moon during the present decade. This is a goal that had previously been contemplated without official designation for the following decade. As of last year, the objective of the United States was established to make this exploration in this decade. The Nation began marshaling scientific, technical and physical resources toward this end. Our basic goal insofar as time is concerned has not changed. This program will be difficult and at times dangerous for individuals volunteering for specific missions. Our committee has been reassured that the urgency of this program will not prompt those in positions of responsibility to forgo all reasonable safety precautions. And safety sometimes takes time.

It would be unfortunate, therefore, to leave unchallenged in the RECORD the impressions that NASA "expects to have manned lunar" in 1966. This may be a hope, but it is not a stated goal. The goal was expressed by President Kennedy last year in these words:

"I believe that the Nation should commit itself to achieving the goal before the decade is out of landing a man on the moon and returning him safely to earth."

Before landing a man on the moon, it is expected that manned circumlunar flight will be achieved. However, 1966 has not been the stated timing of such an objective and I believe the record should be clarified to that extent.

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

The amendment was agreed to.

Mr. KERR. Mr. President, I move that the vote by which the committee amendment was agreed to be reconsidered.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 11737) was passed.

Mr. KERR. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I move that the Senate insist on its amendment and request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KERR, Mr. RUSSELL, Mr. MAGNUSON, Mr. WILEY, and Mrs. SMITH of Maine conferees on the part of the Senate.

PUBLIC WELFARE AMENDMENTS OF 1962

The PRESIDING OFFICER. The unanimous-consent agreement with respect to the public assistance and welfare bill (H.R. 10606), comes into effect at this time.

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. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the amendments offered by the Senator from New Mexico [Mr. ANDERSON] for himself and other Senators to the public assistance and welfare bill.

Mr. MANSFIELD. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. It is my understanding that, while the Anderson amendments are the pending question, they will not be voted upon until next Tuesday, at a time certain, and that in the meantime other substitutes or amendments may be offered under a time allocation. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLOTT. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

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

The CHIEF CLERK. It is proposed, on page 75, to strike out, beginning with line 3:

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

Mr. ALLOTT. I yield.

Mr. DIRKSEN. May I inquire whether the distinguished Senator from Colorado has one or more amendments, and whether he expects record votes on them?

Mr. ALLOTT. The Senator from Colorado has several amendments, but does not anticipate asking for a record vote.

Mr. DIRKSEN. Can the Senator from Colorado give us some intimation as to how much time he will require on them?

Mr. ALLOTT. The Senator from Colorado thought he would probably offer about four amendments this afternoon.

Mr. DIRKSEN. Very well. I thank the Senator.

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

The LEGISLATIVE CLERK. It is proposed, on page 75, to strike out beginning with (3) on line 10 through the word "Act" on line 12.

Mr. LAUSCHE. Mr. President, will the Senator from Colorado yield me 3 minutes from the time on the bill?

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield the distinguished Senator from Ohio 3 minutes from the time on the bill, with the understanding that I shall not thereby lose my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, I send to the desk, for printing under the rule, an amendment which I intend to offer. The amendment would deal with the Health Insurance Benefits Advisory Council which would be created under section 1712, on page 37, of the Anderson amendments.

The section would provide that there be created a Health Insurance Benefits Advisory Council, consisting of 14 members. The 14 members would be appointed by the Secretary of the Department of Health, Education, and Welfare. The section provides, in part:

Not less than four of the appointed members shall be persons who are outstanding in the fields pertaining to hospitals and health activities.

My amendment contemplates identifying 12 of the prospective appointees by way of occupation. My amendment would provide that:

Of the appointed members, not less than three shall be actuaries, not less than three shall be persons who are outstanding in the fields pertaining to hospitals and health activities, not less than two shall be members of the medical profession, not less than two shall represent management, and not less than two shall represent labor.

The purpose of my amendment is to have on the Advisory Council persons who are members of professions which are directly interested in the sciences and arts connected with the program. I would provide for the appointment of three actuaries. In my opinion, actuaries are vital to the efficient operation of the Advisory Council. I would provide for three members who are acquainted with the management of hospitals. I believe such appointments are vital. I would provide that not less than two members shall be members of the medical profession, that two shall represent management, and that two shall represent labor.

Under the language of the Anderson amendments only four persons would be identified as persons having experience in hospital management. I think the presence on the Advisory Council of

actuaries is absolutely needed to insure that fiscally the system, if it is adopted, will be efficiently operated.

I thank the Senator from Colorado for yielding me this time.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

The Senator from Colorado has the floor.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. How much time have I remaining on the amendment?

The PRESIDING OFFICER. The Senator has yielded 4 minutes. The Senator has 26 minutes remaining.

Mr. ALLOTT. I thank the Presiding Officer.

Mr. President, we are considering today a health care proposal which, if enacted, would destroy America's unique system of competitive medicine and could bankrupt the social security system.

It would dilute the quality of medical care to the detriment of the patient. It would drastically change the original concept and purpose of the Social Security Act. It would shamefully exploit our elderly for political purposes. It would tax many of the poor to provide health care for many of the rich. It would encourage dependency rather than independency.

Mr. President, this proposal relies on compulsion and denial of freedom; it proclaims the state superior to the individual; it violates Judeo-Christian teachings because it rejects the divinity of man.

The measure before us was hastily conceived. It is nothing more than an expanded version of what is known as the King-Anderson bill. The bill is basically bad. The cloak of compromise does not change its defects or conceal its inherent dangers. It is still "a medicare wolf in sheep's clothing."

Yet, Mr. President, Congress is being asked to abandon its customary rules and traditional procedures and to hastily approve a proposal which would not become effective until January 1, 1964. Let us not be stampeded into making a hasty decision on a hastily conceived measure.

That great American, Abraham Lincoln, once said:

> If we could know first where we are, and whither we are tending, we could better judge what to do and how to do it.

There are many questions still unanswered.

It is often generalized that the elderly of this Nation are unable to pay their medical bills and that most of them are in poor health. But as far as I have been able to determine, there are no facts or figures as to how many—I repeat: how many there are over 65 who need and want medical and hospital care and do not get it.

I am certain, however, that the health care problems of the aged definitely are not of the magnitude as represented by some wishing to exploit them for political purposes.

No one wants anyone, regardless of age, to suffer from the lack of medical care.

But the problem before us is to determine the most sensible way to help those who need help without sacrificing the present high quality of medical care available to the Nation and without starting this Nation down the road to socialized medicine.

The measure now before us proposes to provide health care to everyone over 65, whether it is needed or not. Somebody might need it; so everybody gets it. This is a shocking disregard for the taxpayers' money.

This health care proposal is based on the false premise that most of the aged are ill and poor.

A quick sampling of surveys and studies made in various sections of the country indicate the problem of our aged citizens is an overexaggerated one.

For example: The Fort Wayne, Ind., News-Sentinel recently reported that "a documented survey—see reference 1—provides indisputable evidence that Indiana's senior citizens are, for the most part, in position to finance their own health needs. Of the 445,510 Hoosiers age 65 or over, 94 percent are caring for themselves either out of private income, savings, insurance, pensions or other nonwelfare sources."

The survey pointed out that 300,560 of the aged group own their own homes and 367,000 are eligible and covered for health and accident insurance by commercial insurance companies, Blue Cross, Blue Shield, or by veterans' benefits.

The survey also revealed that out of 4,357 hospital admissions for those over 65 only 84 patients, or 1.93 percent, were unable to pay or make arrangements for payment of their hospital bills.

Another study was made in Greene County, Mo.—see reference 2—where the residents are described as being in the middle-to-low income group, with farming and small manufacturing the basis of the economy.

One portion of the study included patients of 18 physicians doing mixed family care and specialty practice. The survey disclosed that patients over 65 are responsible for only 9 percent of the unpaid bills.

A 100-bed, general medical and surgical hospital also was surveyed. A study of the unpaid bills at this hospital revealed that the 65-and-over group has the best record for payment of hospital bills. Of the 857 elderly patients treated during an 11-month period, only 15 percent failed to pay their bills.

A survey conducted—see reference 3—at the Billings, Mont., Deaconess Hospital disclosed that almost 95 percent of the hospital bills of 559 aged patients were paid within 6 months.

Spot surveys by three Blue Cross plans—see reference 4—indicate that the majority of hospitalized persons 65 and over either are having the cost of hospitalization paid by health insurance or are paying the cost from personal resources.

Results of the 1-day surveys in Texas, Oklahoma, and northeast Ohio showed:

First. Eighty-three percent of the 2,596 persons 65 or older who were in 60 northeast Ohio hospitals last February 7 were covered by health insurance or had the resources to pay their bills.

Second. 61.2 percent of the 1,300 aged persons in 44 Oklahoma hospitals last March 14 had health insurance or private resources, and the remaining 38.8 percent were receiving either old age assistance or medical assistance to the aged through the Kerr-Mills law.

Third. 70.9 percent of the 5,701 aged patients in 480 Texas hospitals on April 11 had some form of health insurance coverage.

A survey—see reference 5—of 296 patients, aged 65 or older, who were treated at Staats Hospital in Charleston, W. Va., in a 1-year period showed that only 1.5 percent did not pay their bills.

Patients over 65—see reference 6—at the Tucson, Ariz., Medical Center had a far smaller percentage of uncollectible bills than patients under 65, according to a study by M. G. Wolfers, president of the Arizona Hospital Association.

This study, which included 1,960 patients 65 or over, revealed that only 0.36 percent of their hospital bills were unpaid.

In the State—see reference 7—of Vermont, which I am told has a higher percentage of its population over age 65 than any other State, a survey showed that 80.7 percent of the aged said they would pay doctor bills through health insurance, from savings, or with current income.

The fact is that there is considerable evidence that the majority of people over 65 are able to finance their own health care.

Additional evidence is found in the studies made by the Conference of Catholic Charities in three lower-middle-income parishes in St. Louis, Cleveland, and Buffalo.

The report stated:

> When asked who would pay for hospitalization if it were necessary, between 80 percent and 90 percent of all the aging in all studies said they had hospitalization insurance, savings, or potential help from children and relatives. The Buffalo study, which had the only further analysis of this kind, found 7 percent who would turn to welfare organizations and 5 percent who said they did not know what they would do.

Of the approximately 65,000 persons age 65 or over in the State of Montana—see reference 8—about 6,500 require assistance through public welfare and the remaining 58,500 are able to provide their own living expenses and medical care through investments, savings, current employment, pensions and health insurance.

Studies show that the overwhelming majority of aged patients in Delaware—see reference 9—can and do pay their hospital care. Of the aged admissions in Delaware hospitals, 86.2 percent paid the hospital bill in full.

These are only a few examples of studies conducted by various groups, but they provide proof that the problem has been blown out of proportion. There are some of our aged who are needy, or

near needy, but to generalize about a group of 17 million on the basis of a relatively few individual cases is exploitation.

The Right Reverend Monsignor A. C. Dalton, director of Catholic hospitals, archdiocese of Boston—see reference 10—told the Senate Subcommittee on Problems of the Aged:

> From all that I have observed, heard, or read, it is my opinion that the problem of our aged citizens is an overexaggerated one. Reliable authorities appear to be unanimous in stating that the vast majority of those 65 years and over present no special problem; they can handle their own situations well or have them handled satisfactorily by those near and dear to them. It is with regard to the minority that any problem exists * * *. Public interest focuses upon this minority all out of proportion. This is no doubt due to the rapidly increasing number of these aged citizens and the fact that such an increase was neither foreseen or well prepared for. The result is a certain amount of confusion and not a little hysteria in trying to arrive at a sane and sensible solution.

Aged persons value their independence and may be resentful if ready-made plans for their welfare are thrust upon them, according to a study conducted by the Catholic—see reference 11—University of America's Bureau of Social Research among 466 aged residents of Wilmington, Del., and among 130 persons 60 years of age or older living in Wilmington suburbs.

The bureau concluded that while there is a minority of aged persons who are "desperately poor or seriously ill," Wilmington's senior citizens as a group appear to be financially independent, socially well adjusted, and in good health.

The study showed that more than two-fifths of both men and women surveyed believe they are financially able to provide comfortably for themselves the rest of their lives. Another two-fifths can pay ordinary expenses. Nearly 62 percent of the men and 54 percent of the women own their own homes or apartments.

Some 71 percent of the men and 67 percent of the women either had not been confined to bed, or had been confined 6 days or less by illness in the preceding year.

More than two-thirds of all respondents spent either nothing or less than $100 for medical care in the preceding year. Approximately four-fifths had been attended by private physicians rather than at hospital clinics for minor illnesses in the preceding 5-year period.

More than two-thirds said they would pay for long-term hospitalization through hospital insurance and/or savings.

"The most striking feature of this whole analysis," the bureau said, "is the relative economic independence of such a very high proportion" of both men and women.

A study of a random cross section of all older persons in the United States disclosed that the health care problems of the aged definitely are not of the magnitude they have been purported to be.

This study, conducted by the National—see reference 12—Opinion Research Center of the University of Chicago, revealed that only 9.6 percent of persons aged 65 and over said they could not pay a medical bill of $500. More than 90 percent said they have available means to meet such a bill.

Findings of the Federal Reserve Board disclosed that the liquid assets of persons 65 and over are up and are growing faster than the assets of any other age group during the last decade.

G. Warfield Hobbs—see reference 13—a New York banker and chairman of the National Committee on Aging, said he believed the whole country will vote more effectively and intelligently and with less emotion on health care legislation if the people are more aware of the financial facts of life concerning our aged citizens. He pointed out that our present indigent aged are diminishing both by numbers and by proportion, and are being replaced with the newly aged who are increasingly able to care for themselves.

Mr. Hobbs has warned that if sentiment or politics carries us overboard on a permanent basis to solve the temporary financial problems of a segment of the aged population, "we may find in the future that we are providing perhaps more than necessary for a very large and self-supporting aged group at the expense of other age groups."

As proof that the new generation of older citizens is attaining better financial independence, Mr. Hobbs cited figures showing that the number of aged receiving public assistance reached a high of 2,789,000 in 1950, but 9 years later there was a decrease to 2,394,000, despite the fact there were 3 million more in the aged group. The reduction continues at a rate of about 3,000 a month in spite of a net gain in the number of aged of about 30,000 a month, he said.

Dr. Willard C. Rappleye—see reference 14—in his report as president of the Josiah Macy, Jr., Foundation said:

> Planning for the long-term future under conditions which exist then should be given more consideration rather than creating permanent legislation for a temporary phase of our economy.

Some economists believe that in the not too distant future old-age assistance will have been reduced to an insignificant proportion, and that a great majority of our elderly will be self-respecting and financially independent based upon a combination of social security benefits, private pensions, private savings and insurance, and wider home-ownership.

Today, those over 65—see reference 15—account for about 9 percent of our total population, and, despite the retirement majority, they still receive about 8 percent of all personal incomes.

In many respects, the aged are better off than any other group. In addition to having higher liquid assets and higher percentage of homeownership, their financial obligations are significantly less and they enjoy tax advantages not available to younger citizens.

I am sure most of us have heard the statement that 60 percent of our aged have incomes of $1,000 a year or less. This figure, while accurate, is totally misleading. It includes dependents, many of whom have no individual incomes of their own. It would be equally accurate, and just as misleading, to say that nearly 65 percent of all Americans had incomes of $1,000 or less a year. Facts are of little significance until they are examined and interpreted by reason.

The report—see reference 16—of the planning committee for the White House Conference on Aging estimated the total income of the over-65 population in the United States from all types of private investments at from $4,300 to $8,300 million a year, or approximately 17 to 28 percent of the total cash income of the group. This includes dividends, interest on savings, annuities, rents, royalties, and the like. Thus, at a conservative estimate, a total of from $75 to $150 billion worth of income-producing assets would appear to be owned by this age group.

This is a healthy figure, especially in view of the fact that it does not include such non-income-producing assets as homes occupied by the elderly or the value of businesses in which the over-65 age are still actively engaged.

There are two facts that must be kept in mind in evaluating the economic status of the aged:

First. Income alone is not a valid yardstick for measuring the financial situation of the aged.

Second. Our elderly are not a homogeneous group from either a financial or health standpoint.

To generalize that the aged are in poor health is just as misleading as to state that most of the elderly are on the brink of bankruptcy.

Doctors tell us that most older people are in good health. They explain that there are no such things as diseases of the aged. There are diseases among the aged, just as there are diseases to be found in any age group.

It is true, however, that there is a greater degree of chronic illness among older people. But it is important to understand what is meant by the term "chronic illness." It means a recurrent condition, or one that persists over a period of time.

It is significant to note that only 14 percent of the aged with chronic ailments experience any significant limitation of activity. Only 5 percent have major limitations of mobility.

There are many examples of the chronically ill who lead perfectly normal lives. Several years ago a diabetic represented the United States on the Davis Cup team. He was chronically ill, but with the help of insulin he led a normal life. President Franklin Delano Roosevelt was chronically ill as the result of polio. I need not comment on the active life he was able to lead.

Just as there has been misunderstanding about the financial status of the aged there also has been confusion about the health of our aged. Chronic illness has been interpreted by some to mean that most older people are sick and debilitated. It is false to assume that the majority of our aged required constant medical attention. We would be less than honest with ourselves if we enacted legislation on the premise that most of

our aged are ill and unable to pay for medical care.

A study conducted by the National Retired Teachers Association and American Association of Retired Persons among the organizations' members revealed that 87 percent consider themselves in reasonably good health. Eighty-six percent of the 150,000 members reported that they had medical or hospital insurance.

Voluntary health insurance and prepayment plans, which permit persons of all ages to protect themselves against the cost of unexpected illness and accidents, have made a phenomenal growth. This growth has been referred to as one of the great social advances of our time.

Health insurance is now available to all aged everywhere. Today, more than 9 million, or 53 percent, of the aged already have health insurance. The number covered has tripled in the last 10 years and the elderly are purchasing health insurance at a faster rate than any other age group.

In 1937, less than 4 percent of the population of the United States had any form of health insurance. Ten years later in 1947, about 30 percent were covered. Today, an estimated 75 percent of the total population have some voluntary health insurance coverage.

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

Does the Senator from Tennessee wish to yield time?

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. How does the Senator from Tennessee wish to dispose of the time consumed in the quorum call?

Mr. GORE. Mr. President, I ask unanimous consent that the time consumed in the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HOLLAND rose.

Mr. HUMPHREY. Mr. President, how much time remains on this amendment?

The PRESIDING OFFICER (Mr. METCALF in the chair). The Senator from Minnesota has 30 minutes in opposition.

Mr. HUMPHREY. How much time does the Senator from Florida desire?

Mr. HOLLAND. I could conclude in from 5 to 8 minutes.

Mr. HUMPHREY. Mr. President, I yield 10 minutes to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, I appreciate the courtesy of the acting majority leader in yielding time to me. I am not speaking in favor of any single amendment or in opposition to any single amendment. I am speaking in opposition to the absurd procedure under which we find ourselves operating at this time, and in an effort to show that we are wasting our time in considering the important question of medicare for the aged in the way it is now being considered.

The bill before the Senate relates to important amendments to the body of our welfare legislation. It is a bill of many pages. The report of the Committee on Finance, which gave consideration to the various proposals which are embodied in the public welfare amendments of 1962, as the measure is styled, is 82 pages in length. That bill and the report relating to it are based upon hearings held by the Committee on Finance, as shown by the printed hearings, consisting of 603 pages. The hearings represent 4 full days of intensive work in the Committee on Finance and the study of the proposed measures by the many witnesses who appeared before that committee, including, of course, the official witnesses who are charged with the administration of the welfare acts.

Prior to the time the Committee on Finance considered the bill, it had been discussed at great length in the House of Representatives. Long hearings had been held upon the bill in that body, also. I do not have before me the volumes of the printed record of the hearings held by the House committee, but I understand they were even longer, both in terms of duration of the hearings and the extent of the printed record, than is the case with the Senate committee documents on the subject. I have already stated that the printed hearings of the Senate committee comprise 603 printed pages, and that the Senate report comprises 82 printed pages.

But, Mr. President, we now find that, notwithstanding the fact that none of those printed pages had to do with the subject of medicare, which was being handled in separate proposed legislation, subjected to long hearings in the House committee, but which has not yet come up for hearings in our own Finance Committee, we are confronted with four long amendments—as well as various shorter amendments to each of them—which have to do with the subject of medicare.

The first is the amendment proposed by the distinguished Senator from New Mexico [Mr. ANDERSON], for himself and a group of our colleagues; and that amendment alone consists of 79 printed pages; and it existed for the first time as a proposal at the time when it came to us in the form of this amendment, representing, as it did, a compromise between the ideas of its distinguished authors—that is to say, the Senator from New Mexico [Mr. ANDERSON] and various other authors; and, so far as I know and believe, the bill had never seen the light of day until a few hours before the time when it came here as a proposed amendment to the Welfare Act amendments of 1962. Yet, Mr. President, though it has not been subjected as a unified measure to hearings, either in the House committee or in the Senate Finance Committee—and I repeat that no hearings on this general subject have yet been held in the Senate Finance Committee—we are expected, on the basis of the debate on the floor of the Senate, and notwithstanding our committee duties and our other duties, and without the benefit of comment by the administrative agencies and all others who have very vital interests in connection with this measure, to decide upon it and pass upon it—each of us from the background of his own experience—and determine whether the provisions contained therein are wise.

To complicate the matter further, there are three other proposals on this subject. One of them has already been voted upon; it is the amendment proposed by our colleague, the distinguished Senator from Kentucky [Mr. MORTON]. A second voluminous amendment has been proposed by the distinguished Senator from Massachusetts [Mr. SALTONSTALL], on behalf of himself and other Senators; and a third has been proposed by the distinguished Senator from Connecticut [Mr. BUSH], on behalf of himself and certain other Senators. But, Mr. President, not one of those four measures is identical with any of the others. Not one of them is exactly like anything else that has ever been considered before by the Senate. Not one of them is exactly like the proposal which has been subjected to hearings before the House committee—and again I comment on the fact that our own Finance Committee has not heard testimony on any of these measures, nor has it given us the benefit of its consideration and its recommendations in regard to any of them. Notwithstanding all these important facts, we are expected to emerge from debate of this kind with a wise answer to a question which transcends in importance and in public interest all the other proposals included in the amendments to the Welfare Act of 1962 put together.

My own mail—and I am certain this is also true of the mail of other Members of the Senate—on the subject of medicare is several hundred times greater than the amount of mail I receive upon the various other important items included within the purview of the pending bill—that is to say, the amendments to the Welfare Act of 1962. Furthermore, the amount involved in increased taxes is greater, and the amount involved in burdens upon certain employed taxpayers is greater. Yet, Mr. President, without the benefit of any study, we are expected to arrive at a wise answer to this problem, which is a question of first impression to most Members of the Senate.

I do not challenge the principle or the high purpose of any of the distinguished Senators who have offered these amendments; but I call attention to the fact that whereas they may have had a chance individually to study this subject and to come forth with these long, involved proposals as to what they think we should do in the field of medicare, that opportunity has not been afforded all 100 Members of the Senate; and the proposals now before us have not been supported by a study by our Finance Committee and by its recommendations directed to all of us.

So, Mr. President, I cannot think of anything more absurd than for us to attempt out of such a situation to arrive at a wise or defensible answer; and, therefore, so far as I am concerned, I do not propose to vote for any of the proposed amendments dealing with the field of medicare. I feel that if I did vote for any one of them, I would be voting without the guidance and without any kind of recommendations or advice from those who, under law, are charged with administering laws in this field, and also without the recommendations and advice and guidance of the Members of our own body and our colleagues at the other end of the Capitol who, as members of an appropriate committee, are charged with bringing forth proposed legislation in this field.

Thus, Mr. President, I shall not vote for any of these amendments.

Furthermore, Mr. President, it seems to me that Senators who are offering these amendments——

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

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield additional time to me?

Mr. HUMPHREY. Mr. President, I yield 5 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 more minutes.

Mr. HOLLAND. I thank the Senator from Minnesota.

I was about to say that it seems to me that Senators who are offering these amendments are practicing what is referred to in the Constitution as "cruel and unusual punishment," not only upon Members of the Senate who have to listen to this long and involved debate, regardless of whether they must run, this year, for reelection, but particularly upon the Members of the Senate and the Members of the other body who must run for reelection this year, because this is probably the most controversial subject matter to be discussed by the people of the United States in recent years; and certainly this question is entitled to, and must have, the careful study and consideration, not only of the respective committees of the Senate and the House, but also of those who are learned in this field and who have devoted a large portion of their lives to finding out the answers to the question of what is the best way to take care, under democratic principles, of the undoubted need of many older persons in our country who do not have sufficient means to assure themselves and their loved ones of hospitalization, medical care, and surgical care.

I realize that not all of these measures go that far, and perhaps none of them covers all of these fields. However, these proposals are submitted as the answers to the undoubted need of millions of older U.S. citizens for hospital care, medical care, nursing care, and care by doctors and surgeons. Such subject matter is entitled to better handling and more serious handling than this, especially in view of the fact that we know that the body at the other end of the Capitol is not likely to give serious consideration to a measure which originates here as a rider, and particularly when it knows that this proposal has not been studied by our committee. I would think much less of those who represent the legislative arm of our Government at the other end of the Capitol if I thought they would regard with great seriousness a measure which would come out of debate of this kind and out of proposals so casually advanced as those which are now before us.

So, Mr. President, I hope the Senate will reject these amendments, will insist upon handling this subject in the regular manner, and will insist that this subject matter is of sufficient seriousness and gravity to be entitled not only to ordinary handling by our committees, but also to the most careful handling by them—the most careful handling possible for so delicate, complicated, and difficult a subject.

Therefore, Mr. President, I hope the Senate will, in a showing of wisdom in connection with so controversial a subject matter, refuse to place the stamp of its approval upon any of the four proposed amendments which deal in a general way with the subject of medicare for our aged.

I thank my distinguished friend, the Senator from Minnesota, for yielding to me; and I now yield the floor.

Mr. HUMPHREY. Mr. President, how much time is left on this side?

The PRESIDING OFFICER. Fifteen minutes remain.

Mr. HUMPHREY. What is the pending question?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Colorado to the Anderson amendment.

Mr. HUMPHREY. Mr. President, I shall make a brief comment. The amendment, as I understand, strikes item (3) in line 10 through line 14, which includes item (4) of the bill, H.R. 10606, "Part E—Miscellaneous Provisions, Studies, and Recommendations."

The Senator from Colorado seeks to strike out the following language:

> The feasibility of providing additional types of health insurance benefits within the financial resources provided by this act; and the effects of the deductibles upon beneficiaries, hospitals, and the financing of the program.

It is my view that the language which the Senator from Colorado seeks to strike out should be sustained and maintained in the bill. These provisions went through committee hearings in both the House and the Senate. Careful consideration was given to the provisions. It seems to me the purpose is merely to provide additional information to the Congress and to the executive branch, within the limitations set down in items (3) and (4).

I am particularly concerned about the language which affects the deductibles upon beneficiaries, hospitals, and the financing of the program.

I am hopeful the amendment of the Senator from Colorado will be rejected.

The PRESIDING OFFICER. Does the Senator from Minnesota yield back his time?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado to the Anderson amendments.

The amendment was rejected.

Mr. ALLOTT. Mr. President, I ask unanimous consent that the pending Anderson amendments be temporarily laid aside and that the Senate proceed to the consideration of the amendment which I now send to the desk.

The PRESIDING OFFICER. Without objections, it is so ordered. The amendment offered by the Senator from Colorado will be stated.

The LEGISLATIVE CLERK. It is proposed on page 33 to strike out the matter appearing on lines 7 through 12 and insert in lieu thereof the following: "and for each of the succeeding fiscal years' ".

Mr. ALLOTT. Mr. President, I want to express my sincere appreciation for the remarks of the distinguished Senator from Florida. I concur wholeheartedly in his approach to this question, and, as I shall develop in later portions of my amendments and speeches, I also think this question should be considered by the Finance Committee.

As I stated earlier when I spoke on my previous amendment, 11 times as many persons are protected against hosiptal expense as there were in 1940; more than 24 times as many have surgical insurance; and more than 30 times as many are protected against medical expense other than surgical.

By far the most rapidly growing part of this health insurance picture is the growth in coverage of the elderly. And most of this growth has occurred in the past 10 years.

A survey conducted in 1952 disclosed that 26 percent of all persons past 65 had some form of health insurance protection. Today, 53 percent of the aged are protected.

This growth is even more impressive when we consider that an estimated 25 percent of those 65 and over are not even in the market for health insurance, since their health care is financed in other ways. If we subtract this group, who either do not need or do not want health insurance, we find that 68 percent of those over 65 who want this protection already have it.

It is known that some 13 percent of the aged are eligible to receive health care as beneficiaries of Federal-State old-age assistance or medical assistance to the aged programs. There are many others who do not need, desire, or believe in health insurance. This group includes those being cared for by the Veterans' Administration, by medicare, by general assistance, or by other local public and private agencies. There also are those whose private incomes and resources are sufficiently large to make it unnecessary for them to have insurance coverage.

The number of our elderly who will have health insurance coverage will increase because of the trend by insurance companies to allow and encourage persons to continue their health insurance on an individual basis when they retire. This fact, coupled with a continuing expansion in coverage among the total

population, means that more and more individuals will be reaching 65 with health insurance still in force.

It has always been an important provision in Blue Cross and Blue Shield contracts that subscribers who desire to do so may elect to continue their coverage after leaving their groups, or after reaching age 65.

In 1951, 5 percent of Blue Shield enrollment, or about a million members, were 65 or older. Today, Blue Shield subscribers over 65 total more than 3,250,000. There also are more than 5 million Blue Cross subscribers over 65.

In the past 10 years, total Blue Shield enrollment increased 133 percent, but the number of persons over 65 covered by Blue Shield increased 225 percent.

A survey made 2 years ago by the Health Insurance Institute showed that 7 out of every 10 workers covered under group policies can retain their coverage after retirement.

A few years ago most hospital policies sold by private insurance companies terminated at age 65. Today, more than 60 policies or programs offered by major insurance companies are guaranteed renewable for life.

In recent months there has been a dramatic increase in the number of individual and group health insurance contracts being made available to persons over 65.

A report issued in January of this year by the Health Insurance Institute contained not a complete list, but a representative selection of the policies from which noninsured over-65 persons can select health insurance protection. More than 70 programs, covering a wide range of benefits, were listed in this report.

A major medical expense program developed in Connecticut, in which private insurance companies in the State pooled resources and risks, offers comprehensive coverage for a variety of services to anyone over 65 in that State. This pioneering venture is now spreading to other States.

In January of this year the National Association of Blue Shield Plans announced a new, national low-premium plan, providing a broad scope of medical and surgical benefits in hospitals and nursing homes for the aged. I am told that as of this date 66 of the 70 Blue Shield plans have approved participation in the new plan, and 53 of these already have received their local medical society's approval and cooperation.

This brief summary of the growth of voluntary health insurance in this country should indicate to all that the number of aged in this country who need but do not have health insurance comprise a group that is steadily shrinking. Congress should not adopt any program that would lead to the decline, if not the demise, of voluntary health insurance in this country.

The measure we are considering would substitute a compulsory system of Government health care financing for a private voluntary system that has shown phenomenal growth and an ability to provide a financial cushion against medical expenses for millions of Americans.

Our voluntary health insurance programs are versatile enough to offer a wide selection of policies to meet the needs and pocketbooks of most citizens; they are available now to all who need and want them, and they are adequate enough to meet the needs of this Nation.

Fastest growing of all types of coverage is major medical expense. These plans provide payment—after a deductible amount—for 75 to 80 percent of virtually all expenses incurred as a result of catastrophic illness, up to limits as high as $10,000 or $15,000. In just the last 8 years, the number of persons protected under these programs has grown from 2 million to more than 35 million—a 1,700-percent increase.

Not only has there been a great growth in the quality of coverage, but also in the quality of coverage. A study published by the Brookings Institution showed that health insurance covers 88 percent of all hospital expenses incurred by beneficiaries, and 81 percent of all surgical expenses.

Other studies—the latest made in 1960—bear out these percentages.

Mr. President, it is important for us to consider in our deliberations here today that the vast majority of our aged population is neither disabled by illness nor verging on bankruptcy. There are some who are, but programs are available to provide for their health care needs.

In 1960 this Congress wisely enacted the Kerr-Mills law to provide medical care for those who need it and cannot afford to pay for it. This law is now on the books and is being rapidly implemented. It enables individual States to guarantee to every aged American who needs help the health care he requires. The law also is designed to benefit older persons who are paying their day-to-day living expenses, but who could not afford to meet the cost of a serious or prolonged illness.

As I pointed out earlier, the problems of the aged vary with the individual States. The Kerr-Mills law enables each State to pattern its program to meet its own particular needs.

The growth of health insurance in this country has been little short of phenomenal in the past quarter century. A variety of health insurance policies are available now to all who are able to purchase them. The Kerr-Mills law already is available in most States to help those who need help.

Msgr. John O'Grady, secretary of the National Conference of Catholic Charities, has said that too many workers in the field of aging are, in effect, not seeing the forest for the trees. By concentrating on the small minority of our aged who represent an extreme situation—medically, emotionally, socially or economically—they are winding up with a distorted picture.

They have magnified the problems of a minority segment to such an extent that their image of the total group has become blurred.

Each year those who reach retirement age are better equipped financially to live self-sufficiently. The aged are bringing with them, into their years of retirement, the protection of pension plans, which an ever-increasing number of employers are setting up. And, as most of them have carried health insurance during their working lives, they have learned to value its protection and continue it after retirement.

The problem of financing the health care of our older nonindigent people comes closer and closer to solution each day.

The problem is a diminishing one. The dramatic change in the economic status of the aged is most noteworthy. Only 14 percent of the aged over 65 receive public assistance today whereas 22 percent were receiving public aid in 1950.

Economists predict that this improvement will continue at an accelerating pace. We are dealing with a diminishing problem. There is no crisis. There is no need to make a hasty decision now on a hastily conceived proposal.

I should like to digress for a moment from my prepared remarks to say that there is no need at this time to make a hasty decision on a proposal now offered to the Senate as an amendment to the public welfare bill, which in itself exceeds 75 pages, which the Senate Committee on Finance has had no opportunity to hear.

I should like to comment on this phase of the question later. Anyone who knows of the workings of the U.S. Senate must recognize that the entire work of the U.S. Senate depends upon the slow and perhaps painful but also logical consideration of measures which come before it. Members of the Senate are required to a great degree to depend upon the logical, objective, and thorough consideration which the committees of the Senate give to questions which come before us.

Despite the propaganda, the problem is a constantly diminishing one. It is a diminishing problem because it is being met by self-reliant individuals, by sympathetic families, by health insurance, and by private agencies and public programs such as the Kerr-Mills law.

The medical care system in this country has been largely responsible for the ever-increasing length of life expectancy. It has given millions a chance to live when they might have died a few years ago.

More and more people are passing the 65-year milestone into the era we commonly call old age. Only 1 person in 10 born in 1900 could expect to live to age 65, and then only to live 3 or 4 years longer. But today more than 66 percent will survive beyond age 65 and not for 3 or 4 years but for 15 or more additional years.

More than 4,400,000 Americans are living today who would have died if the 1937 death rate had continued at that level.

Our system of medicine has known no peer in history. Yet, if we adopt this health care proposal now before us we will be taking the first big step toward replacing our system with government medicine which has been tried and found wanting in country after country.

Similar health care proposals have been before Congress in the last three decades, but each time they were blocked by an upsurge of public protest.

I add at this point, Mr. President, my own mail on this question over a period of months has been running in excess of 90 percent against the medicare proposal.

I am sure my esteemed colleagues are aware of the present public sentiment on this issue as evidenced by the mail Members of Congress have received.

The most recent Gallup poll also confirms the fact there is a rising tide of sentiment against the proposal for financing medical care for the aged through an increase in social security taxes.

In his latest poll released this month, Mr. George Gallup, director of the American Institute of Public Opinion, said:

> 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.

A year ago the Gallup poll reported that 67 percent of the people favored the administration's plan over private programs. In March of this year, the poll showed that 55 percent favored the social security approach. In the latest poll, announced this month, only 48 percent of the people favored the King-Anderson bill over private programs. This is a substantial shift in sentiment away from the administration position.

It is clear that this proposal is losing ground as more people understand it and what it really would do to them individually and to the Nation as a whole.

A survey conducted by the American Press magazine among newspaper editors and announced in the publication's April 1962 issue showed that 78 percent of the editors opposed the King-Anderson bill and that 84 percent favored a private program over a Government plan. It is reasonable to assume that most of these editors reflect the majority opinion of their readers.

The June 1962 issue of Nation's Business magazine reports the results of a survey of students in 17 public and private medical schools throughout America.

The magazine said the study showed:

> Greater Federal activity in health care would cause many young Americans to abandon the study of medicine. * * *
>
> All but a small number of the students interviewed feel that more Government interference would drag down the quality of treatment available to the public, impede medical research, reduce incentives for top performance by doctors and discourage many bright young people from entering the profession. * * *
>
> The survey showed that medical students overwhelmingly oppose proposals for providing medical care for older citizens under the social security system.

One of the principal reasons why many are opposed to the King-Anderson bill is the fact that the proposal would force the workers and employers of this country to pay increased taxes to provide health care for millions of the elderly who are financially able to pay for these services themselves.

Mr. President, I have used the term "King-Anderson bill" because, as I explained earlier, the Anderson-Javits amendment now pending before the Senate is a slightly disguised and modified version of the original King-Anderson bill, no matter how it is attempted to be interpreted.

There has been considerable confusion about how much additional payroll taxes wage earners and employers would be compelled to pay if this proposal became law.

At the present time, a worker making $5,200 a year is paying 3⅛ percent on a wage base of $4,800 or $150 a year. His employer is paying the same amount. Starting January 1, 1963, the worker will pay 3⅝ percent on $4,800 or $174 a year and again his employer will match it.

The King-Anderson bill calls for a double-barreled tax increase—a tax increase of one-fourth of 1 percent for employees and employers alike, three-eighths of 1 percent for the self-employed, plus a $400 boost in the tax base from $4,800 to $5,200.

By January 1, 1964, when the King-Anderson bill—or the Anderson-Javits amendment—would go into effect, the worker making $5,200 would pay 3⅞ percent on the new wage base or $201.50. Again his employer would match it with another $201.50. The tax increase for this measure would be $27.50 a year for each worker and the same amount for his employer—a total of $55.

This amounts to a 16-percent tax increase for employee and a like increase for employer.

Two more social security tax increases already are approved and scheduled to go into effect in 1966 and 1968.

The tax jumps to 4⅛ percent for the worker, matched by employer, in 1966, and to 4⅝ percent in 1968.

If the King-Anderson bill—or the Anderson-Javits amendment—becomes law hiking the tax base to $5,200, every social security tax boost now scheduled and all future increases will be paid on that new base.

And these figures are based on the lowest estimated cost of the proposed plan. No nation which has tried similar medical care programs ever has been able to estimate the cost correctly, and some insurance actuaries believe the estimates for the King-Anderson proposal are unrealistically low.

The young man entering the labor market at age 21 would be forced to pay this tax for at least 44 years, while today's retired, many of whom are well-to-do and who have not contributed a dime to the program, could get the benefits free.

This social security approach places the burden of meeting the cost of the program only on low-income workers and then on a gross income up to $5,200. The secretary earning $5,200 a year would pay the same social security tax as her boss earning $52,000 a year.

It has been estimated that 40 percent of taxable income in the United States is not subject to social security tax.

If medical care for the aged is a national problem, it should be financed from general revenues as provided in title VI of Public Law 86–778.

There has not been time to fairly assess the Kerr-Mills program or the many new private insurance plans for the elderly. They deserve a fair trial.

The Federal grant-in-aid program for the medical care for the needy and near-needy is designed to help those who actually need help—not to arbitrarily established groups. It preserves voluntarism, permitting the nonneedy to take care of themselves. It follows the traditional Federal-State organizational structure of our Nation. And it places administrative responsibility and authority where it belongs—on the local government, which understands and is close to local problems.

The Kerr-Mills law does not waste tax dollars on aged people who are perfectly willing and able to take care of their own medical care costs. It preserves the high quality of medical care now available in this country by maintaining the patient's free choice of doctor and the doctor's freedom to treat his patients in an individual way.

To adopt the King-Anderson bill—or the Anderson-Javits amendment—would be to meddle with the free practice of medicine—a system that has given this Nation the best medical care in the world. It would be the beginning of an irreversible program that eventually would expand until it covered every man, woman, and child in this country.

We cannot strengthen this Nation by copying medical systems under which one country after another around the globe has lost leadership in science and medicine. We cannot strengthen this Nation by substituting medical failure for medical success. I urge you to reflect on the consequences of such a radical measure and to heed the lesson taught in England. The British have given us a history lesson we cannot afford to ignore.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a table of references keyed to the remarks I have made, showing the sources and authorities for the figures and statistics I have given.

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

REFERENCES

1. Fort Wayne, Ind., News-Sentinel, January 16, 1962, page 1. Survey by Commission on Aging, Indiana State Medical Association.

2. New Medical Materia magazine, May 1962, page 58.

3. Reported in the AMA News, March 5, 1962.

4. Reported in the AMA News, May 14, 1962.

5. Reported in the AMA News, December 28, 1959.

6. Reported in the AMA News, April 17, 1961.

7. Reported in the AMA News, July 11, 1960. Survey by Vermont State Medical Society's Committee on Aging.

8. House Ways and Means Committee hearings, July 24–August 4, 1961, page 578.

9. House Ways and Means Committee hearings, July 24–August 4, 1961, page 1220.

10. October 14, 1959.

11. Reported in the AMA News, May 14, 1962.

12. Financial Resources of the Aging by National Opinion Research Center, University of Chicago, released November 1959.

13. Reported in the AMA News, May 16, 1960.
14. Reported in the AMA News, May 16, 1960.
15. "Our Changing Economy," syndicated column by Maurice H. Stans.
16. Britannica Book of the Year—1961.
17. Modern Maturity magazine, June–July 1961.

Mr. ALLOTT. Mr. President, I should like to propose a parliamentary inquiry at this time.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. Is it in order for me to withdraw the amendment which I have proposed?

The PRESIDING OFFICER. It is in order for the Senator to do so.

Mr. ALLOTT. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. ALLOTT. I withdraw the amendment which I previously proposed.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ALLOTT. Mr. President, I send to the desk an amendment to the Anderson amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In the Anderson amendment, identified as "6–29–62—A," it is proposed to strike the language beginning on line 1, page 1, through line 25 on page 74.

Mr. ALLOTT. Mr. President, much has been said and is being said on the subject of medical assistance for our elderly citizens. Yet for some reason we seem no closer to the truth today than ever before. The amendment I have offered would strike the so-called Anderson-Javits amendment. I venture to suggest that the large bulk of confusion has been induced by a deliberate effort to confuse, that the entire matter has become submerged in a morass of conflicting testimony that appeals to the emotions rather than to reason.

Much of what I will say today has been said before but if we are to understand this problem in its entirety and the effect of our actions not only upon the aged of our country but on future generations as well, the time we spend in reviewing the facts will be time well spent.

The subject of medical care of our senior citizens is a grave and complex one, and cannot be dismissed with a few pat, cavalier statements. Neither is it a subject that should be charged with emotionalism, arbitrarily resolved in accordance with the whims of an administration that seeks only to enhance its power regardless of the harm that will be done. This administration seems to be more concerned with the means rather than the end and I propose therefore to set the record straight.

In order to set the record straight we must first define the problem. The problem concerns the individual, the community and the country as a whole. The problem needs to be examined with regard not only to the plight of our elderly people, but with respect to the role that is played by the family, various institutions and the government of the States in assisting the elderly to meet the growing costs of medical care. This problem is in danger of becoming, and has indeed become, a political football and it is time we cried "enough." The administration is so emotionally involved in trying to get its way with this matter that it refuses to concede that the problem is already in a fair way being solved.

Rather than give the law of the land a chance to work, the administration would prefer to hold up the legislative processes concerning other important problems still to be solved by the Senate and the House, while it drags red herrings across our path. As a result the time we spend here will serve to delay needed legislation further.

At the same time through a lack of cooperation from the administration the law of the land which was enacted to provide the assistance that the elderly most desperately need is not being implemented with the deliberate haste that it deserves and the elderly of certain areas of our country are being deprived of the assistance they require.

It apparently matters not to this administration that our senior citizens are being deprived of their rights as long as the majority gets its own way with them. I suggest, Mr. President, that when the results of this recalcitrant attitude of the administration are weighed in the balance, that they are found wanting.

None of us are insensible to the needs of our senior citizens. All of us are gravely concerned regarding the problems of those who arrived on this earth before us and to whom we owe so much. We who are their sons and daughters have benefited from their labor and sacrifices on our behalf. They provided for us in our early years with the sweat of their brow; they watched over us and they guided us; they nursed us through our illnesses in the far watches of the night and through dark hours of despair. They saw to our education to the best extent of which they were capable, doing without in order that we might have advantages which they to a large degree could not afford themselves.

Even those who were childless were joined with our parents in achieving the scientific breakthroughs, the medical progress, the engineering marvels, the great strides in transportation, in education, in every phase of our modern life, so that we came into a life of advantages far greater than they themselves had enjoyed.

Who are the elderly of today but the workers, the scientists, the engineers, the teachers, the ministers, of yesterday? And now as they reach their sunset years, and as others reach them tomorrow, next year, and the years to come, their security and dignity is on our conscience. Now in the twilight of their years, some of our senior citizens are in need of assistance and it is and will continue to be the responsibility of all of us to see that they get it. We must see to it that they enjoy their remaining years in peace and dignity, not as wards under the benevolent despotism of an all-powerful Federal Government, but as free citizens able to live their own lives in gracious fulfillment.

Many of the facts and tables from which I will quote are from already published reports, but if we are to bring this problem to light in its true perspective, then these facts will bear repetition.

The problem is simply this: How many of our senior citizens need assistance in meeting the costs of medical care; what kind of medical care do they need; how much do they need; what will it cost; how is the required assistance to be given to them?

It is a well-known fact that since the early part of this century the proportion of the population which represents people of age 65 and over has doubled and that by 1980, about 10 percent of our population, something over 24 million people, will be 65 years of age or older. At the same time, that is, by 1980, the proportion of the population of working age will be less than it is today. So, whatever the cost, and rising as it will, to take care of an ever-increasing quantity of people in the elderly bracket, payment for those costs will have to come from an ever-diminishing group of wage earners.

Further factors bearing on the problem are that the majority of the aged are women and this proportion increases with age, the proportion of married persons drops with increased age and the proportion of the population age 65 or over varies not only State by State but further by county within States. To summarize, the essential facts are that our aged population is increasing with greater longevity among women and an uneven geographical distribution.

By the beginning of 1964 Social Security Administration estimates the total population 65 or older will be about 9 percent or approximately 17,900,000 persons. As I said a moment ago, not only the oldest age group, but also the youngest, will grow faster than the rest of the population. Between 1950 and 1960, while the number of persons 65 years of age or older increased by 34.7 percent, the number of those under 20 years of age increased by 34.4 percent. At the same time the increase in the group 20 to 64 years old was only 6.9 percent. This latter is the age group, of course, in which are the vast majority of those actively employed.

To interpret this information in another way, it might be said that while the younger group is growing very fast and those in the oldest group are growing very fast, those in the middle group, who would have to provide the money to pay for this program, are not increasing nearly so fast.

As I have said, the increase in the group 20 to 64 years old was only 6.9 percent. This latter is the age group, of course, where we find the vast majority of those actively employed. It represented 57.9 percent of the total population in 1950 and only 52.3 percent of the population in 1960. In this same decade there was an actual decline of 9.2 percent in the number of persons 20 to 29 years old. This is the age group which was made up of persons born during the prewar years when the birth rate was low.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two tables published by the Bureau of the Census. One shows the total U.S. population and population age 65 and over for the years from 1920 to 1980. The second depicts the shifting percentage composition of the population by age group.

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

Total U.S. population and population age 65 and over, 1920–80

Year	Total population (millions)	Population age 65 and over	
		Number (millions)	Percent of total population
1920	106.0	4.9	4.7
1930	123.2	6.6	5.5
1940	132.1	9.0	6.9
1950	151.3	12.3	8.2
1960	179.3	16.6	9.2
1970	208.2	19.5	9.4
1980	245.4	24.5	10.0

Source: U.S. Bureau of the Census: U.S. Census of Population: 1960, vol. I, for 1920 to 1960 data; "Illustrative Projections of the Population of the United States by Age and Sex, 1960 to 1980," series P–25, No. 187 (Nov. 10, 1958), p. 16, for 1970 and 1980 projections. Projected data are series III of the 4 series prepared and are based on an assumption of relatively high birth rates. The projections exclude data for Alaska and Hawaii.

Percentage distribution of U.S. population, by age, 1900 to 1960

Year	Percent of population			
	Total	Under 20 years	20 to 64 years	65 years and over
1900	100.0	44.3	51.4	4.1
1910	100.0	41.9	53.6	4.3
1920	100.0	40.8	54.6	4.7
1930	100.0	38.8	55.8	5.5
1940	100.0	34.4	58.7	6.8
1950	100.0	34.0	57.9	8.2
1960	100.0	38.5	52.3	9.2

Source: U.S. Bureau of the Census, U.S. Census of Population: 1960, vol. I. Because of rounding, items may not add to totals.

Mr. ALLOTT. Mr. President, a steady increase in the proportion of the aged group in the population during the last 60 years is apparent. The proportion of the population that is under 20 has not followed a consistent pattern. Predictions for this segment of the population over the next two decades are difficult because this birth rate depends on economic developments, social trends, and changing attitudes regarding the desired size of families but I think that it is safe to say that the proportion of the working age group will be less in 1980 than it is in 1960. Factors that are inhibiting the growth of this age group are military service and the emphasis on higher education which reduces the number of those available for employment.

I believe the two tables which I have just placed in the RECORD support this conclusion adequately.

It should be further noted at this point that the greatest relative increase among the over-65 population has been at the upper end of the age scale. Data from the 1960 U.S. Census of Population show that, among the aged, the older the group, the greater has been its proportionate growth. Between 1950 and 1960 the following increases in population were registered in the specified age groups:

Increase in population from 1950 to 1960

Age group:	Percent
65 to 69 years	24.8
70 to 74 years	38.6
75 to 84 years	41.1
85 years and over	60.8

The geographic distribution of the aged is also worthy of note. In 18 States at least 10 percent of the population was age 65 or over on April 1, 1960. The heaviest proportionate concentrations of aged persons were in the Plains States and New England. Iowa and Missouri respectively had 11.9 percent and 11.7 percent of their populations age 65 and over. Florida, with 11.2 percent, had the largest ratio of 65 and over persons of any State outside these regions. In only eight States, Alaska, Arizona, Hawaii, Nevada, New Mexico, North Carolina, South Carolina, and Utah, was less than 7 percent of the population in the age group with which we are here concerned. The highest rate of growth in the aged population took place in Florida and Arizona. Here, the number of persons age 65 or over more than doubled between 1950 and 1960. California and Nevada have had rises in their aged population of over 50 percent in each of the past two decades. However, because of the rapid growth in the total population in Arizona, California, and Nevada, the proportion of the total represented by the aged has not changed significantly. Indeed, the proportion over 65 in Nevada declined from 1950 to 1960.

An excellent examination of the economic factors affecting our elderly people can be found in a report prepared by the Blue Cross Association and the American Hospital Association. This report is based on factual data supplied from a number of sources, including the U.S. Bureau of the Census, the Social Security Administration, and others.

Mr. President, I ask unanimous consent that this statement may be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. ALLOTT. Mr. President, I believe we should now turn our attention to medical developments and changing health patterns as they affect the people with whom we are concerned. For many reasons of advances in medical science and improvements in our environment there has been a marked increase in life expectancy from 1920 to 1960. For example, in 1920 male babies could be expected to live for an average of 53.6 years. In 1960 male babies could be expected to live an average of 67 years. At the same time there has been an increased exposure on the part of the aging population to chronic disease.

The decline in the death rate is in great measure attributable to the enormous advances made in the control and elimination of infectious diseases but the pattern here is that while pneumonia and influenza, tuberculosis, and diarrhea and enteritis are all but conquered we now find ourselves faced with increasing incidents of heart disease, cancer, and cerebral vascular diseases.

It has been said, then, that chronic illness, in contrast to acute illness, is much more prevalent among the elderly than among those under 65.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the percentage of persons having chronic conditions, by age and sex, in the United States, July 1957–June 1958.

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

Percentage of persons with chronic conditions, by age and sex, United States, July 1957–June 1958

Chronic conditions	Males			Females		
	All ages	Under 65 years	65 years and over	All ages	Under 65 years	65 years and over
Percent of persons with at least 1 chronic illness	39.1	36.0	75.2	43.5	39.8	80.6
1 chronic condition only	23.1	22.9	26.2	22.8	22.4	26.9
2 chronic conditions	9.3	8.3	21.3	10.7	9.8	19.9
3 or more chronic conditions	6.7	4.8	27.7	10.0	7.6	33.8

Source: U.S. National Health Survey, "Limitation of Activity and Mobility Due to Chronic Conditions, United States, July 1957–June 1958," U.S. Public Health Services Publication 584–B11 (July 1959), cited in Mortimer Spiegelman, Ensuring Medical Care for the Aged, Pension Research Council Publication (Homewood: Richard D. Irwin, Inc., 1960), p. 51.

Mr. ALLOTT. Mr. President, what is the outlook for the future? While it is difficult to forecast accurately, there is very good reason to believe that science will continue to improve the state of the medical art, and that our people will live longer; and it is, therefore, likely that a greater portion of the population will live to older ages than even now are extrapolated.

In examining the needs of our elderly, we must consider the costs of medical care and must note the increase that has taken place within the past several decades. While the consumer price index rose 70 percent from 1929 to 1959, the medical care index rose 105 percent; and from 1950 to 1960, the percentage rise in the medical care index was approximately twice that of the overall index, and more than that of any other major CPI component. There are many reasons for this, of course. Inflation has taken its toll here, as it has everywhere else. There are other factors, also. While a manufacturer can automate with machine tools to offset the rise in labor costs, a hospital can automate only a small part of its clerical functions. The surgeon must still perform

the surgery; an anesthetist cannot be replaced by a punched card; a scrub nurse cannot be replaced by a conveyor belt. In addition, science has introduced into the medical world an ever-widening scope and an ever-increasing complexity of services. Labor costs have risen significantly, through the correction of extremely low wages, shorter workweeks, the increase in hospital personnel, and the higher costs of personnel who are better trained, in order to be more efficient and skillful, and who can meet the demands of today's medical science for higher standards of care. In the factories, new techniques often result in smaller labor forces in specific areas, while in the hospitals, new techniques and services result in the need for more and better trained personnel and equipment, rather than less. As an illustration, I request unanimous consent to have printed at this point in the RECORD a news report from Time magazine.

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

FREEZING FOR PARKINSON'S

The movies that Manhattan's Dr. Irving S. Cooper showed to the American Medical Association last week were heart rending even to medical men familiar with the ravages of disease. There were pictures of adult victims of Parkinson's disease, or "shaking palsy"—men who could not stay the agitated tremor of their rigid, half-clenched hands, or could not walk except in jerky petits pas. There were children suffering from nerve disorders similar to Parkinsonism. During an attack, a pretty girl of 11 was doubled up, her whole body distorted and shaking. A boy the same age was bent backwards; eventually, said Dr. Cooper, his back and legs might arch until his head touched his heels.

All those pictures were of people who had not yet been operated on by Dr. Cooper. Next, the inventive neurologist paraded the same grateful postoperative patients before the professional audience. Ex-Coal Miner Arnold Smith, 46, has been so completely freed of the palsy that he has taken up a new career as a physiotherapy aid at the Whitesburg Memorial Hospital in Kentucky. Remarkably erect Joan Harris, now 15, of Larchmont, N.Y., is doing well in school. The boy, 13, is as straight as a spruce, and supple as a birch. But there were still more surprises to come. These patients, like famed Life photographer Margaret Bourke-White, were operated on by techniques that Dr. Cooper, 39, now considers outmoded. The patients he really wanted to show off were the next to be presented: a housewife and a schoolgirl on whom he operated by freezing a pea-sized portion of the brain.

CROSSED CONNECTIONS

Parkinsonism (the cause of which is unknown in most cases) is a disorder of nerve cells near the thalamus deep in the brain. The affected nerve cells keep on firing impulses for muscle contraction when the contractions are not necessary. Effective treatment consists of somehow interrupting these misfiring nerves.

Dr. Cooper's first approach, back in 1952, was to sever an artery supplying the nerve-cell complex. Though many patients got relief, several died, and an equal number were left worse off than before their operation. Next he tried injecting absolute alcohol into part of the brain near the thalamus. Then Dr. Cooper put the alcohol into the thalamus, as in Photographer Bourke-White's case.

THREE IN ONE

But the neatest, cleanest way to kill a specific segment of tissue in a living body is by rapid deep-freezing. Dr. Cooper's newest technique, used in almost 200 cases in the past year, is to put the patient on the operating table under a battery of X-ray machines. Using a local anesthetic, he saws out a dime-sized piece of the skull, then inserts a three-in-one tube, only 2 millimeters (less than one-twelfth inch) in diameter. The tube slips painlessly through the insensitive brain to the deep-lying thalamus. The tube's outer layer is a vacuum insulator; the innermost bore carries liquid nitrogen supplied at minus 196° C.; the middle layer is for warmed and gaseous nitrogen to escape.

When the X-rays show that the tip of the tube is in the thalamus, Dr. Cooper lets in enough liquid nitrogen to drop the tip temperature to zero or minus 10° C. This knocks out the nerves, but does not destroy them. He asks the patient to raise an arm, or leg, or both: If the patient has full control of his limbs, with no tremor remaining, the tip is in the right place.

Then Dr. Cooper admits more liquid nitrogen, to drop the tip temperature to minus 40° or minus 50° C. In less than 5 minutes, this rapid freezing kills the offending, misfiring nerve cells. If the freezing extends a bit too far and the patient becomes unable to move his arm satisfactorily, Dr. Cooper has 30 seconds in which to correct the error and rewarm the thalamus. Most patients can be out of bed the same day and out of the hospital within a week.

Now that nitrogen injection kits are being manufactured, other neurosurgeons, still skeptical, will try to duplicate Dr. Cooper's results. Awaiting the benefits of his bold pioneering are at least 300,000 U.S. victims of Parkinsonism, a lifelong affliction, of which doctors say: "Patients don't die of this disease—they die with it."

Mr. ALLOTT. Mr. President, it has been reported that the small special equipment developed for the operation referred to in the article which I have submitted for the RECORD would cost $5,000 per unit, certainly not an overwhelming figure when we think of the misery and agony such equipment will do away with, but, nevertheless, an illustration of the fact that every step of progress is costly.

Not only must we be concerned with the increasing cost of rendering hospital services of one sort and another; another factor in those costs is the increase in the per capita use of hospitals. As further improvements in medical science are inaugurated, we can expect that they will spur continued growth in the demand for health services. Hospitals and doctors are doing their best to maximize the result per dollar cost, by introducing efficiencies in their procedures and organization; but even as these are improved, we can expect the standards of care to be raised, the scope of services to be expanded, and consumer demand to continue to grow.

At this point I should like to state that in my personal conversations with the superintendents of many hospitals, and particularly in my conversations with the superintendents of hospitals in my own State, I have been impressed by the very great efforts they have made to try to find ways to reduce hospitalization costs. Some of the plans they have thought of and have considered show a maximum of objective thinking in their attempts to deal with this problem. They know what the problem is. But it is not possible to place, as I have stated, hospital patients on a conveyor belt and, by placing a screw here and a nut there, expect to have them repaired.

So it is obvious that hospitalization costs will constantly increase. But I should like to make very clear that, in my opinion, the personnel involved—the hospital superintendents and all the other administrative personnel of the hospitals—are devoting their best energies in the endeavor to find new ways to prevent further increases in hospitalization costs.

As examples of the kind of costs I am talking about, it is well to consider that while we gratefully hear of someone whose life has been saved through the use of an artificial heart, or that a cancer has been arrested through the use of a cobalt machine, very few of us know that an artificial heart-lung machine costs about $45,000, a cobalt machine about $30,000, and X-ray movie cameras cost from about $20,000 to $50,000. As these newly developed machines are added to the hospital inventories, they require more, rather than less, people to operate them. True, the equipment is expensive; but the outstanding cost for these new services is that for the new, trained personnel to operate the equipment.

These costs will continue to rise as medical science continues to develop, because as fast as the new services and equipment are developed, the public or the consumer demands that their use be made available to him. So as time goes by, medical care will become more complex and more costly.

Let us now take a look at what these costs mean to the individual consumer. In 1958, the annual per capita gross expenditures by noninstitutionalized citizens for personal health care was $177 for persons 65 and over, and less than half this amount, or $86, for persons under 65. The Department of Health, Education, and Welfare recently estimated that the total public and private annual expenditures for health care of the aged was nearly $5 billion. Total health expenditures for all persons in the United States in the year ended June 30, 1960, were $26.5 billion—$20.3 billion private expenditures and $6.2 billion public expenditure. It would appear, then, that the health bill for persons 65 and over, although they constitute less than 10 percent of the total national population, represents almost 20 percent of total national expenditures for health. Not only are the health-care expenditures for aged persons greater than those for their younger counterparts, but in recent years they have been increasing at a greater rate. A Health Information Foundation study compared two 12-month periods—1952–53 and 1957–58. Between the two periods, the gross per capita expenditures for elderly persons increased by 74 percent, while for all persons the rise was only 42 percent.

One of the difficulties apparent here is that the higher per capita health-care expenses incurred by the aged come at a time when family income has

declined. As a result, health-care costs take a disproportionately large part of the elderly family's income.

As of 1958, hospital-care expenditures represented a greater proportion of the total health-care outlays for the aged than for those under 65. From 1952–53 to 1958 the greatest absolute increase among the types of medical expenditures for the elderly was for those for hospital services. For all major types of physicians' services—home calls, hospital calls, office calls, and surgery—expenditures for aged persons are substantially higher—from 26 to 105 percent higher—than those for all individuals.

In addition, hospital care for the elderly costs much more than that for younger persons. If we examine the history of hospitalized persons, we find that those over 65 incurred an average expenditure of $352, compared with an average of $168 for persons of all ages who were hospitalized. These figures are for the years 1957–58.

The PRESIDING OFFICER. The time available to the Senator from Colorado has expired.

Mr. HUMPHREY. Mr. President, has the Senator from Colorado used all of the 30 minutes available to him on the amendment?

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Let me inquire whether the Senator from Colorado wishes to have additional time made available to him. I think so highly of my friend that I wish to cooperate in every way possible.

Mr. ALLOTT. I am very grateful to the Senator from Minnesota, even though I do not seem to have impressed him this deeply before. So I shall be grateful to have additional time made available to me.

Mr. HUMPHREY. Would an additional 10 minutes be helpful to the Senator?

Mr. ALLOTT. Of course.

Mr. HUMPHREY. Then, Mr. President, I am glad to yield 10 additional minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 additional minutes.

Mr. ALLOTT. I would like now to turn to the utilization of health facilities and services by the aged. Aged persons utilize most health-care services to a considerably greater degree than the population as a whole. They are admitted to hospitals more frequently and stay longer. They are the predominant users of nursing homes and other long-stay institutions. They require and use a greater volume of physicians' services. They spend more on drugs. They do spend less for dental service than the population as a whole.

How is the financing of health care for the aged managed? A National Health Survey provides the most recent and comprehensive nationwide data on hospital insurance coverage. The survey was conducted during the period of July 1958 to June 1960.

The study showed that two-thirds of all persons discharged from short-stay hospitals met at least some of their hospital charges through insurance. Half of the aged discharged patients had some part of their bills covered by insurance. Some portion of hospitalization charges was covered by insurance for 63.3 percent of the persons age 65 to 69; for 53.9 percent of those between 70 and 74; and for 37.5 percent of those 75 and over.

Among all persons discharged from short-stay hospitals who received some insurance benefits, 75 percent had at least three-fourths of their bills paid by insurance. Of those 65 and over who received insurance benefits, 59.2 percent had at least three-fourths of their hospital charges covered.

The net result is that among the discharged patients, at least three-fourths of the hospital bill was covered by insurance for 51.3 percent of the persons of all ages, 30.3 percent of the persons 65 and over, and 20.2 percent of those 75 and over. It is interesting to note that hospital insurance coverage, particularly for the aged, is largely dependent upon employment. In a 1957 study of aged persons, it was found that less than 4 out of every 10 persons 65 and over had some form of voluntary health insurance. Almost all of those with health insurance had hospitalization, approximately two-thirds had coverage for inhospital doctor visits, and about one-fifth had coverage for physicians' home or office visits. Fifty-seven percent of all aged persons with health insurance had first obtained such coverage through a job, either their own or their spouse's.

About one-sixth of the elderly persons studied were uninsured but had been insured in the past. Nearly half of the formerly insured persons had obtained insurance through their work. The principal reasons given for terminating insurance were retirement from employment, belief that coverage was too expensive, and dissatisfaction with the benefits offered.

Half of the aged who had no health insurance said that they would be interested in obtaining such insurance, but felt that they either could not afford it or could not obtain it. The rest of the uninsured group either did not want insurance or were not interested.

A study of the uninsured in 1958 indicated that persons who did not have health insurance were more likely to be found among these groups: nonwhites, unmarried individuals, full-time housewives, retired persons, members of low-income families, residents of rural farm areas, and the aged. For 12 percent of the uninsured persons of all ages, coverage could be obtained through work by either the uninsured individual or other members of his family. However, only 1 percent of the uninsured persons 65 and over could obtain coverage in this way, and no coverage was possible through work for approximately 99 percent of the uninsured aged.

A 1957 survey by the Bureau of Old-Age and Survivors Insurance showed insurance paid at least part of the hospital, surgeon, and inhospital physician costs for 54 percent of the OASI beneficiary couples with a member hospitalized in general hospitals and 48 percent of the hospitalized single beneficiaries. Slightly more than 30 percent of the hospitalized beneficiaries had at least half of these costs paid by insurance; 7 percent had all these costs so paid.

The survey also found that the percentage of those who received hospital care during the year was higher among those who had insurance—14.2 percent—than among those who did not—8.8 percent.

A 1958 study indicated that average hospital bills increase with patients' age and, moreover, that older persons pay a larger proportion of such charges out of pocket without the help of insurance. The data also suggested that not only do fewer of the aged than of the young have health insurance, but that those who do have insurance have poorer protection than their juniors.

Data provided by Blue Cross plans show that between 4.3 and 5.1 million persons age 65 and over are covered by Blue Cross. Some 24 percent of all Blue Cross group subscribers are now included in enrolled groups that have provisions for continuing retirees as part of the groups. Provisions for employer contributions toward the cost of this arrangement are increasing. Some 25 percent of all Blue Cross subscribers are persons who have left employment where they were covered on a group basis, or who enrolled as individuals—a large segment of this group are persons 65 or more.

About 4 to 4¼ million persons age 65 and over are covered by commercial health insurance. Of these, 750,000 are insured under group plans and about 1 million are covered under mass enrollment programs. The remaining aged—about 2.5 million—covered by insurance companies have individual policies.

There are many programs of private health insurance which are of assistance to the aged. Coupled with these, as I will later show, the Kerr-Mills law is being made a workable solution to the problem of assisting the elderly to obtain and pay for the assistance they need.

What, then, is the problem? A few of the major points are these:

Half of the aged persons in the United States have money income of less than $1,000 a year. Although the older persons have somewhat higher than average asset status when compared with younger persons, much of their assets are difficult to convert into purchasing power. A mortgage-free home is a fine thing to have, and actually represents a type of income, because the owner does not have to pay rent; but such assets are difficult to convert into purchasing power.

The aged have higher medical expense. They use hospital and medical services more. On the average, the aged spend considerably more than the rest of the population for hospital care and significantly more for all the other elements of medical care except for dental care. Like all of us, they face rising medical costs, and these costs have been rising faster than any other item in the Consumer Price Index. Because of the nature of medical science, it is likely that medical care costs will continue to rise

faster than other items in the Consumer Price Index. We know that, as among all age groups, the costs of medical care fall unevenly and unpredictably; that while some have few medical expenses in a given year, others have very high expenses. We know that the incidence and prevalence of illness are greater among the aged, and we know that once the aged become ill, they are more likely to remain ill.

We know that fewer of the aged are covered by prepayment or insurance than persons below 65. We know that the coverage of the aged is of lesser benefit quality, in general, than the coverage of younger age groups. We know that in the past few years, prepayment and insurance have made impressive strides in coverage of the aged and in removal of many restrictions. Various public programs such as those covering free or reduced rate mental and tuberculosis care, are widely available. It is not only the aged who experience low income, high medical expenses, and low protection. To a lesser extent, the younger population contains persons in a similar plight. But more of the aged are caught in the problem of low income and high medical expenses, and their economic position is unlikely to change, a hope that is not denied to the younger. Because of their fixed position, they are more vulnerable to the costs of inflation.

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

Mr. HUMPHREY rose.

Mr. ALLOTT. Does the Senator have in mind speaking on this particular amendment?

Mr. HUMPHREY. The Senator primarily has in mind cooperating with the Senator from Colorado.

Mr. ALLOTT. I shall be pleased if the Senator will yield me another 10 minutes.

Mr. HUMPHREY. I am glad to yield the Senator 5 minutes at this time.

Mr. ALLOTT. I am glad to have it. I appreciate the Senator's courtesy.

The PRESIDING OFFICER. The Senator from Colorado is recognized for an additional 5 minutes.

Mr. ALLOTT. Mr. President, what are the requirements, then, of a health assistance program? The requirements can be simply stated. It should be based on free enterprise and freedom of choice which, God willing, will always be the posture of Americans. It should be established on a sound and reasonable basis for providing assistance to individuals over 65 who otherwise would experience difficulty in paying for medical care.

Mr. President, it is important to repeat that latter phrase—"who otherwise would experience difficulty in paying for medical care." There are many who are able to take care of their own problems quite satisfactorily in their own way without any assistance from anybody, least wise the Federal Government.

Such a program needs to be administered at the State and local level, where the problems of the people within the State are better understood and more efficiently handled.

And finally, such a program should be made financially feasible for the States in order that they can implement it.

Mr. President, I now propose to show that the Kerr-Mills law meets the requirements better than the proposal which we have before us today.

Mr. President, if I may have the attention of the distinguished acting majority leader, I have in mind offering another amendment. This is a convenient time for me to interrupt my discourse. If the Senator wishes to reply to the argument on the amendment, to use the remainder of his time, I inform the Senator it is my intention to withdraw the amendment.

Mr. HUMPHREY. I suggest that the Senator proceed according to his announcement and withdraw his amendment. I know the Senator has strong convictions on these matters and wishes to express those convictions, as he has done so well today. We can proceed to consider the other amendments. I shall be more than happy to yield back any remaining time I have on this particular amendment. If the Senator will withdraw the amendment, we can proceed to consideration of other amendments.

Mr. ALLOTT. Mr. President, if the Senator has yielded back his remaining time——

Mr. HUMPHREY. I yield back my remaining time.

Mr. ALLOTT. I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HUMPHREY. Does the Senator intend to offer another amendment?

Mr. ALLOTT. Mr. President, I offer the amendment which I send to the desk, and ask for its immediate consideration.

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

The LEGISLATIVE CLERK. It is proposed to strike out the language beginning on line 18, page 57, and ending on line 15, page 75, of the Anderson amendments.

KERR-MILLS ACT

Mr. ALLOTT. Mr. President, as I have suggested, I now intend to discuss certain provisions of the law relating to the Kerr-Mills Act.

It has been the custom under the present administration, as well as in past administrations, to hold White House Conferences, in which experts in a particular field are called together in an effort to work out recommendations for solving some of the problems facing the Nation. One such conference was called, for a meeting in January of 1961 to discuss the problems, potentials, and challenges of an aging population. For 4 days, more than 2,500 delegates met in Washington, D.C. The results of that conference cover a variety of subjects.

We are fortunate that on May 15, 1961, the Special Committee on Aging of the U.S. Senate, under the able guidance of my good friend and colleague, the Senator from Michigan [Mr. McNAMARA], issued a document which I now hold in my hand. It is the committee print of the White House Conference on Aging, and I would call special attention to page 37 of the committee print, which is entitled "Policy Statement and Recommendations—Institutional Care." Since the recommendations by the experts on the subject of our senior citizens deals directly with the matter under consideration by the Senate, I should like to read from the report.

On page 37, after a preliminary statement, the Report by the White House Conference on Aging says:

> Adequate care cannot be provided without sufficient financing, both for construction and for provision of services. Costs should be kept to the lowest possible level consonant with high-quality care, through planning, efficient management and economical use of facilities. No needed care should be denied because of inability to pay, nor should the financing mechanism create impediments to the proper utilization of the various types of facilities, including the home. Everything possible should be done to encourage voluntary prepayment groups to expand and broaden their coverage for aged individuals, and further, to extend such coverage over the whole institutional care spectrum, and to care in the home. Local, State, and Federal Government financing will be required in increasing amounts to supplement individual resources and voluntary prepayment. Existing Federal State, matching programs will provide effective, economical, dignified medical care for our elderly citizens who need help. The implementation of such programs should result in the high quality of medical care desired. Compulsory health care inevitably results in poor quality health care.

I repeat, "Compulsory health care inevitably results in poor quality health care." I would like to point out, for the benefit of any of my colleagues who might have entered this Chamber toward the end of my statement, that I was not reading from the Republican platform of 1960. I was reading from the committee print published by the Special Committee on Aging, listing the recommendations of the White House Conference on Aging of January 1961.

The minority views hold to the contrary, and urge what is tantamount to medical care under social security, although it is not specifically referred to as such. It is worth noting that in July of 1962, just as in the early days of 1961, the people of this country continue to hold steadfastly to the view reflected by the majority in the White House Conference. My mail has been running overwhelmingly against the King-Anderson-Javits approach, that is to say, medical care for our senior citizens under social security.

It appears to me that in the deliberations which are now taking place in this Chamber we are disregarding the considered judgment of experts as well as the wishes of the majority of the people in this country. From my State of Colorado there was a delegation to this White House Conference which included Robert L. Knous, our Lieutenant Governor, the chairman of the Governor's Commission on Aging. In addition, the following persons were also in attendance:

Dr. Albert H. Rosenthal, District Regional Director of HEW; Mr. Riley Mapes; Dr. William T. Van Orman; Miss Charlene J. Birkens; Dr. Roy L.

Cleere, head of our State medical office; Dr. Franklyn Ebaugh; Dr. Richard Haney; Dr. Heber Harper; Mr. Samuel Janzen; Mrs. Ray Landis; Mr. Archie G. Maine; Mr. Herrick Roth; Mrs. Edith M. Sherman; Dr. Lennig Sweet; Mrs. Leslie E. Taylor; Mr. Franklyn Stewart; Mr. Bernard Teets, Director of our State Department of Employment Security; Mr. Lindsay E. Waters; Dr. John Zarit.

The severest critics of the Kerr-Mills approach to medical care for those over 65 point to the fact that the act has simply not accomplished the purpose. Apart from the fact that I consider it ill-reasoned to expect a program of this magnitude to be functioning at peak performance 22 months after enactment—just as unreasonable as criticizing our space program for its inability to reach the moon in the relatively short time it has been in existence—there is also the fact that the executive branch has not been pursuing the implementation of Kerr-Mills as assiduously as the program warrants. During the hearings before the House Subcommittee on HEW Appropriations, Secretary Ribicoff made the following statement:

> Now, administratively, we want to get results. One important task was the problem of getting out the results of the White House Conference. Thirty-seven separate publications have been issued.

On the other hand, and as I will point out in just a moment, the Department of HEW, with appropriated funds at its disposal, has not been moving forward in an effort adequately to put Kerr-Mills into full operation as the Congress intended. I commend the Secretary for disseminating the results of the White House Conference, and find myself only disappointed that the recommendations have not been followed, at least as they apply to Kerr-Mills.

At this point I must go outside my prepared statement and remark upon one of the great failures and frailties of the Congress and the great structure of Government that we have. An hour or so ago the Senate voted upon an amendment proposed by the distinguished Senator from Wisconsin which would provide for a commission to study manpower needs and the assets available for our space program.

His amendment provided for the appointment of a council to make such a study. I voted against the amendment, not because I am not convinced that there is a need. There is a great need for such a study. I voted against the amendment because the council would meet, much money would be expended, and then even before a report of the study was published or before the council had arrived at a conclusion, the chances are about 90 to 1 that the people in the space agency, the Congress and the administration, would go galloping off without paying any attention to what the council had reported anyway.

We have followed such a procedure on the question of taking care of our aged. I am astounded that we in the Congress again and again appropriate money to various commissions, agencies, and bureaus to investigate aspects of certain questions, and then before even a report of the study is prepared, we pass impressive and extensive legislation involving hundreds of millions of dollars which does not even take into consideration the findings of the various commissions so appointed, because the commissions have not yet reported.

In the present instance, we are asked to do it again, and we shall repeat the process again and again. I wished to refer particularly to the vote today on the amendment of the Senator from Wisconsin, because I think it is perfectly obvious that while the need the Senator from Wisconsin had in mind is very great, the results from such a study would never have seen the light of day. If they did see the light of day, they would wilt as fast as a fresh violet plucked from a mountain meadow.

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

Mr. ALLOTT. I am happy to yield to the distinguished Senator from Nebraska.

Mr. HRUSKA. First, the Senator from Colorado is making a fine contribution to the discussion at hand. He handles his material well and shows that he has become a student of no mean knowledge on the subject.

I should like to ask the Senator from Colorado whether or not it is true that on occasion, instead of overstudying a subject or a pending measure, we do not get into it enough by way of our legislative process, and the measure which is before the Senate—the so-called King-Anderson-Javits proposal—is probably a good example of that point. No committee hearings have been held. There has been no documentation of the various points of view or of the provisions of the bill. No estimate of cost that I know of has been formulated by any Government authority which would normally be consulted on the question. Would the Senator have any comment upon that particular aspect of the proposed legislation to which his amendments are directed?

Mr. ALLOTT. I certainly do have. I wish to thank the distinguished Senator for his contributions. It is true both ways. I was particularly interested in the fact that while we paid attention to what the White House conference for the aged did, we have turned around and pursued the most inconsistent, illogical, and almost immature approach to a question like the one pending before the Senate, which would affect the lives of most of us, God willing, and certainly the lives of many individuals. We would do so by seeking to jam through the Senate an amendment which would take the social security approach to the health care for the aged.

It is a measure which would have great tax consequences for every employer and employee, and its provisions are completely inadequate. Sometime within the next few hours I shall probably get to that aspect of it. It is completely inadequate for the needs.

We are asked to commit hundreds of millions of dollars to a program in a field which is already adequately serving or could adequately serve the people, and yet we would do so without even letting the measure go to the Senate Committee on Finance, the committee upon which we must depend to study these questions and make recommendations. We are asked to act on the measure without a report or a recommendation from that committee.

Mr. HRUSKA. Mr. President, I thank the Senator for yielding to me.

Mr. ALLOTT. I thank the Senator. His thoughts have been most helpful.

In recognition of the fact that among our senior citizens, there are those unable to meet the costs of medical, hospital and other related treatment, the Congress, in 1960, passed the Kerr-Mills bill which, in essence, provides for a Federal financial participation in State programs established to meet these needs. To provide for those 65 and over already covered by old-age assistance, the bill would increase those benefits to cover the medical aspects.

While I shall discuss that point later, I think it is only appropriate to call attention now to the fact that the Anderson-Javits amendment, which we are now considering, would provide no medical care outside of a hospital or certain designated nursing homes. For those over 65 not covered by old-age assistance, the Kerr-Mills bill authorized medical coverage in specified amounts.

Kerr-Mills has the benefit of the customary legislative process, and was accorded complete committee hearings and consideration—culminating in a report by the Senate Committee on Finance dated August 19, 1960.

Mr. President, each of us who was here at the time had an opportunity to study that report. It was Report No. 1856, 86th Congress, 2d session. It stands as a tribute to the unanimity of feeling regarding the bill, that the vote on final passage was 91 to 2 in favor of passage. And yet, scarcely has the time elapsed in which to implement this legislation, and the Senate is now being asked to junk it and start afresh.

What is proposed is that we pile this monstrosity on top of it. If we do so, we will have a real situation on our hands.

Opponents of Kerr-Mills urge that the act be set aside, almost before the ink is dry, despite the fact that better than 24 States have enacted legislation in reliance upon its permanency. It is difficult to conceive how a program, concurred in by 91 Members of this body, only 22 months ago should now become unworkable or, as the Special Senate Committee on Aging concluded:

> It proves that Kerr-Mills cannot, of itself, solve that problem which our committee has found to be the most persistent and frightening one confronting millions of older people and their children in all parts of the country—the problem of assuring economic access to medical care for all our older people on a decent, self-respecting basis.

Before this body relegates to the ashcan a program upon which a substantial number of States have relied, a program which a number of States have implemented by legislation, a program which was and is dedicated to fulfilling the needs of our senior citizens, it would be very useful to examine the act in detail in order to clear the air of misunderstandings and have clearly in mind

what the objectives of the Kerr-Mills bill are, and what its accomplishments have been in the brief period it has been law.

The Senate Finance Committee, reporting on H.R. 12580, the social security amendments of 1960, said as follows:

In this 25th anniversary year of the Social Security Act, the committee has examined proposals relating to almost every title of the Social Security Act. As a result of our consideration, the committee is reporting a bill which makes changes and improvements in all of the programs encompassed by this legislation. The major issue presented to the committee this year has been the increasing cost of adequate medical care for older people. The evidence presented to the committee indicated that these costs derive, to a large extent, from the fact that impressive improvements have been made in medicines and medical technology, which assist in better diagnosis and treatment, and from improved hospital and other facilities and their wider availability to the public. The knowledge that these costs are unpredictable and sometimes very heavy, especially for our older men and women living on reduced retirement incomes, has been a matter of grave concern to this committee. As a result we are recommending a program of Federal assistance in providing through the cooperation of the States, an expanded program of medical care for persons aged 65 and over. Under this proposal, the Federal share of existing old-age assistance plans will be substantially increased to encourage States to strengthen their medical programs for these people or to initiate new programs. In addition, Federal money will be made available, on a generous matching formula, to assist the States in aiding those aged persons, many of them otherwise self-sufficient, who need help only in meeting the costs of medical care of a very expensive nature.

In the event that the successful implementation of Kerr-Mills has not proceeded with such dispatch as its detractors would wish, the responsibility must, in part, at least, be borne by HEW. Under questioning by Representative MELVIN LAIRD and Chairman JOHN E. FOGARTY at recent hearings of a House Appropriations Subcommittee, Secretary Ribicoff admitted he had hired only one professional staff member, although Congress had provided $145,000 to employ a staff of 18. Further questioning also brought out that little has been done by the Department to implement the 600 recommendations of the White House Conference on Problems of the Aging. One of them, dealing specifically with medical care for the aged, I discussed a moment ago.

Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks an excerpt from the hearings before the House Committe on HEW appropriations on January 30, 1962.

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

REFERENCE TO APPROPRIATE HOUSE HEARINGS BEFORE THE SUBCOMMITTEE ON HEW APPROPRIATIONS, JANUARY 30, 1962—PART I

Pages 104 and 105:

"Mr. FOGARTY. What did Mr. Kent [works for the Secretary, studying the Conference recommendation and developing legislation to carry them out] originally ask of the Bureau of the Budget?

"Mr. KELLY. In his supplemental request?

"Mr. FOGARTY. Yes.

"Mr. KELLY. I am going to have to act from memory, Mr. Chairman. My memory is we went over there with a request for 21 additional positions, and we came up to the Congress with a request for 18 positions. And we have an operating plan for utilizing 14 of those jobs that the Congress gave us, and we are requesting 3 additional positions in 1963.

"Mr. FOGARTY. How much did you get; how much did the Congress give in that supplemental last year?

"Mr. KELLY. They gave us the whole 18 positions as requested.

"Mr. COHEN. Yes. I think $145,000, if I recall correctly.

"Mr. FOGARTY. And how much of it was put in reserve, if any?

"Mr. KELLY. Well, I know it was four positions. I do not recall the amount. But out of the 18 positions, 4 were withheld.

"Mr. FOGARTY. Percentagewise, that is a pretty good clip.

"Mr. KELLY. Yes, sir. We had to save eight jobs in the Office of the Secretary. Four of them were in the special staff on aging.

"Mr. FOGARTY. Four out of eighteen?

"Mr. COHEN. I think, while there is a tremendous need there, Mr. Chairman, I might say I worked with Mr. Kent on trying to recruit some of these people——

"Mr. FOGARTY. I understand he has had problems. But I think I am going to find the same fault I found with everybody over the past 10 or 12 years. I do not think you are going fast enough or far enough."

Pages 105 and 106:

"Mr. FOGARTY. You gave me a breakdown but I have forgotten. About how many people have been added to the special staff on aging, and when were they added?

"Mr. COHEN. I have here the two additional people in the information branch reporting to duty on January 29. One person has been recruited to the field operations branch, reporting to duty in February. A fourth person on research and training branch has been recruited and reporting to duty in March.

"Those are the four professional positions in the increase.

"Mr. FOGARTY. What year are you talking about?

"Mr. COHEN. This year, sir. Right now.

"Mr. FOGARTY. January 29, you mean yesterday?

"Mr. COHEN. Yes, sir. Reported to duty yesterday. That is January 29—two of them.

"Mr. FOGARTY. Well, I would not brag about that kind of action, would you?

"Secretary RIBICOFF. Well, it is pretty hard to find people sometimes."

Pages 106 and 107:

"Mr. FOGARTY. What are you going to do, give up?

"Mr. COHEN. No, sir.

"Secretary RIBICOFF. We are keeping on trying.

"Mr. COHEN. We are keeping on trying. Mr. Kent is going ahead. I talked to him several times.

"And we have now prepared a position description for each of these positions and we are advertising them and circularizing so we can see if we cannot get some more people interested in them. I think there is a great need in this area, and I would hope we could expand it.

"Mr. FOGARTY. That is what I was hoping for, too, when Mr. Kent was named. I do not see that he is doing much better than those before him. There is, and has been, a lot of talk about this for years as you well know.

"You have been talking about it, but as of today, January 30, nothing much has been accomplished with that supplementary appropriation. That is a fair statement, is it not?

"But the White House Conference came up with about 600 recommendations, and how many of those recommendations have been put into effect?

"There was a lot of talk at that conference about a blueprint for action.

"Mr. COHEN. What we have done, of course, has been a continual exploration of this problem. Over on the Senate side, in connection with the Senate hearings, we have moved wherever there were some legislative recommendations.

"Mr. FOGARTY. Was there ever an advisory committee appointed?

"Secretary RIBICOFF. No. An advisory committee has not yet been officially appointed, but——

"Mr. FOGARTY. I think last August was the last time I talked with you.

"Mr. COHEN. Yes.

"Mr. FOGARTY. And you told me it was right around the corner.

"Mr. COHEN. We have been clearing the people and discussing them. I would hope that we can formally appoint them very shortly.

"Mr. FOGARTY. What do you call 'shortly'; a month from now or next year?

"Mr. COHEN. Before the end of this year.

"Mr. FOGARTY. The fiscal year or the calendar year?

"Mr. COHEN. Fiscal year."

Page 107:

"Mr. FOGARTY. What happened to the Federal Council on Aging?

"Mr. COHEN. The Federal Council on Aging has been more or less inactive, and I think it is Mr. Kent's intent to reactivate the Federal Council.

"Mr. FOGARTY. There is nothing being done now, is there? They have not met in a long time?

"Mr. COHEN. I think we have had one meeting. I think there has been one preparatory or one planning meeting to see what they worked out."

Pages 108 and 109:

"Mr. FOGARTY. Well, the thing I am after and have been after for 10 or 12 years is action.

"I was just amazed to find that the first man hired under last year's supplemental appropriation was put on yesterday."

Page 109:

"Mr. LAIRD. You have been passing that money around, though. You have been looking for anybody who would like to do a little consulting work, have you not?

"Secretary RIBICOFF. I have not. I know Mr. Kent is sincere and hard working and a self-starter; and I have the utmost faith in him. If you give Kent a reasonable period of time, he will have a staff that you will be proud of, Mr. Chairman. And I would like to see where Mr. Kent stands next September, frankly.

"Mr. FOGARTY. You call a reasonable length of time——

"Secretary RIBICOFF. Well, I would say that the moneys available in October, I would like to see the results next September 1.

"Mr. FOGARTY. How long has Mr. Kent been on the job? How long has he been in office?

"Mr. COHEN. I think he came something like July 1. * * * As the Secretary stated, I hope you will wait until he has an opportunity to appear before you, Mr. Chairman.

"Mr. FOGARTY. Oh, I will. He will be given every opportunity, of course. He will not be shut off. He can talk as long as he wants to.

"But from what I already know, I am still afraid I am going to be disappointed in the action so far."

Pages 1084 and 1085:

"Mr. FOGARTY. We thought this was a real important program last summer. When you asked for a supplemental appropriation we were led to believe it was necessary and needed. In fact, I thought more was needed.

"Now tell us what you have done with these funds.

"Dr. KENT. At present, on our supplemental, we have 14 positions—7 professional,

and 7 clerical. The seven clerical were easy to fill and we filled five. We have not filled the other two because we will wait until we have the complement of professionals. In terms of professionals, we have filled four; for two more we have tentative acceptances and two that we are negotiating for, which includes one vacancy on the regular staff.

"Mr. FOGARTY. You think you have done as well as you could but I think a better job could have been done. I think if I were in your position, when you came down here last summer, that I would have known that these jobs were hard to come by. There is a general impression around from the groups that I have talked to, and I have talked to a great number of them, that there is no real program in aging. Every group that I have talked to has been disappointed in the lack of action to initiate one."

Mr. ALLOTT. Mr. President, geared as it is to the needy, Kerr-Mills Act is designed to authorize Federal participation in approved State plans which provide medical assistance first, on behalf of aged recipients of old-age assistance; and, second, for aged persons not on old-age assistance whose incomes and resources are not sufficient to meet the costs of necessary medical services. The act has the following provisions:

MEDICAL ASSISTANCE FOR THE AGED WHO ARE NOT RECIPIENTS OF OLD-AGE ASSISTANCE

Under this program, States can receive Federal funds to help pay the cost of medical services for persons aged 65 and over who are not recipients of old-age assistance, but whose income and resources are insufficient to meet such costs. States may choose among a broad scope of medical services, but the services for which they pay the costs must include those of both an institutional and noninstitutional character. The law is specific in outlining the scope of care and services that may be provided including: inpatient hospital services; skilled nursing-home services; physicians' services; private-duty nursing services; physical therapy and related services; dental services; laboratory and X-ray services; prescribed drugs, eyeglasses, dentures and prosthetic devices; diagnostic, screening and preventive services; and any other medical care or remedial care recognized under State law.

In considering the merits of these two proposals we must consider what is now offered by present law and the paltry, parsimonious, limited benefits that would be offered under the King-Anderson-Javits amendments.

However, as under the law before the 1960 amendments, there can be no Federal participation in payments with respect to medical services furnished an inmate in a nonmedical public institution or to a patient in a mental or tuberculosis institution. Persons with a diagnosis of tuberculosis or psychosis may be covered for 42 days of care in a general hospital.

To qualify for Federal matching grants, State plans for medical assistance must meet certain requirements already in the act and still applicable to old-age assistance as well as the new program—the requirements, for example, that the program be in effect in all political subdivisions, provide for financial participation by the State, and insure proper and efficient administration. In addition, under a State plan for medical assistance for the aged, no enrollment fee or charge may be imposed as a condition of eligibility, and under regulations prescribed by the Secretary the State must furnish assistance to State residents absent from the State. Reasonable standards for determining eligibility and the extent of medical assistance are required. There must be a provision that no lien can be imposed during a recipient's lifetime on account of payments under the plan—except pursuant to a court judgment concerning incorrect payments—and that adjustment or recovery is permitted only after the death of the recipient and spouse. A State may not impose an age requirement higher than 65, and no resident of the State and no citizen of the United States may be excluded. Federal Government participation in the total amount expended by the States for medical assistance for the aged under a Federal matching percentage will range from 50 to 80 percent under a formula based primarily on per capita income.

MEDICAL CARE FOR RECIPIENTS OF OLD-AGE ASSISTANCE

Under the amended title I of the Social Security Act, as formerly, there is no Federal requirement as to the scope of medical services that the States provide for old-age assistance recipients. However, the Kerr-Mills Act made additional funds available to the State for expansion of such services for recipients of old-age assistance.

An additional plan requirement for old-age assistance under title I is the same as one that applies to medical assistance for the aged—the State plan must include reasonable standards for determining the eligibility for patients in a medical institution as the result of diagnosis of psychosis or tuberculosis for 42 days after such diagnosis is permitted for old-age assistance as well as for medical assistance. The law, continues, however, to exclude from the matching provision money payments of such patients. Before the amendments the maximum average monthly payment for old-age assistance in which the Federal Government would participate was $65. This amount included both money payments to the individual and vendor payments for his medical care. The Federal Government will continue as before to share in such expenditures for old-age assistance up to four-fifths of the first $30 of the average monthly payment, with variable matching ranging from 50 to 65 percent in the remainder up to $65 based on the relationship of the State's per capita income to the national per capita income.

For States with average monthly payments of more than $65, the 1960 amendments provide for Federal participation in additional expenditures except that such participation will be limited to the amount of the average vendor medical payments up to $12 a month, or the amount by which the total average payment exceeds $65, whichever is less, with the Federal share ranging from 50 to 80 percent based on per capita income. For States with average monthly payments of $65 or less the Federal share in average vendor medical payments up to $12 a month will be an additional 15 percent over the usual Federal percentage applicable to the amount of payments falling between $30 and $64. This percentage, when added to the usual Federal percentage for the second part of the formula for payments, will give a total Federal share of 65 to 80 percent. The additional Federal share of 15 percent will also be available to States with average monthly payments of more than $65, when it is advantageous to them as an alternative to the method described above. The Federal Government also pays 50 percent of the cost of administering State plans under the Kerr-Mills Act.

Kerr-Mills is legislation designed to accommodate the two pressing problem areas—namely, by providing those persons over 65 who are covered by programs of old-age assistance with an expansion of medical coverage and by also providing medical assistance to those persons who have reached 65 but who are not recipients of old-age assistance. Of the more than 17 million persons in these classifications, the Senate Finance Committee figures indicate that approximately 10 million persons might meet eligibility requirements. The number actually affected will depend upon the number of States participating, and the eligibility standards formulated by such States. Each year, after all State plans are in full operation, an estimated one-half to 1 million persons among these 10 million may become ill and require payments. The number of recipients per year 1961–63 as listed in the budget, fiscal year 1963, is: 1961, actual, 80,400; 1962, estimate, 495,500; and 1963, estimate, 729,300.

The argument is often made that Kerr-Mills is inadequate and insufficient to meet the pressing needs as they exist today. The Finance Committee figures do not give umbrage to such a position. It should be borne in mind in the coming year better than 72 percent of those senior citizens who will require medical attention will be taken care of under Kerr-Mills—and this assumes no further implementation on the part of the States not presently participating. When there is taken into account the fact that the establishment of such a State program cannot be accomplished overnight, every indication suggests that Kerr-Mills is doing the job which the Congress felt should be accomplished, and rapidly. At this point, it would be well to have a list of the States which are participating in the Kerr-Mills program. They are as follows:

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, Utah, Washington, West Virginia, Guam, Puerto Rico, and the Virgin Islands.

THE MEANS TEST

In an effort to discredit the Kerr-Mills Act, the opponents have resorted to emotionalism. There is a tendency to cloud the real issue by casting adjectives

about and thus attempt to discredit what is a perfectly proper administrative aspect of the program in terms of the purpose which it was intended and does serve. Kerr-Mills came to grips with a problem which faced us, namely, how to provide adequate medical and hospital care to our senior citizens incapable of providing it themselves. In reporting the bill, the Committee on Finance called attention to the purpose of the medical assistance aspect for the aged not receiving old-age assistance:

The bill would amend existing title I to make it clear that States may extend their assistance programs to cover the medically needy. The bill would give the States a financial incentive to establish such programs where they do not exist or to extend such programs where they are not adequate in coverage or comprehensive in the scope of benefits. Benefits under a State program may be provided only for persons 65 years of age or over to the extent they are unable to pay the cost of their medical expenses. Under this program, it will be possible for States to provide medical services to individuals on the basis of an eligibility requirement that is more liberal than that in effect for the States old-age assistance programs.

It would cover all medically needy aged 65 and over; it would cover every such person including those under the social security system, railroad retirement system, civil service system, or any other public or private retirement program whether such person is retired or still working, subject only to the participation in the program by the State of which they are resident; it would cover the widows of such workers as well as their dependents who meet the age 65 requirement and are unable to provide for their medical care. There are many individuals who have not worked under the social security program or any other retirement program for a sufficient time to ever become eligible for retirement benefits; this is another needy group which would be able to receive medical assistance under the health plan endorsed by the Finance Committee.

The report to the Special Committee on Aging, in discussing the means test, uses descriptions such as "humiliating," "degrading." The act, itself, has two provisions covering this subject, one of which applies to a State plan which includes old-age assistance and the other to a State plan which includes medical assistance. Section 2(10)(A)—the State agency shall, in determining need for assistance, take into consideration any other income and resources of an individual claiming old-age assistance; (B) include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of such assistance; section 2(11)(D), include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of such assistance; (E) provide that no lien may be imposed against the property of any individual prior to his death on account of medical assistance for the aged paid or to be paid on his behalf under the plan—except pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual—and that there shall be no adjustment or recovery—except, after the death of such individual and his surviving spouse, if any, from such individual's estate—of any medical assistance for the aged correctly paid on behalf of such individual under the plan.

There is nothing onerous, nothing degrading, humiliating in these requirements. There is nothing in that language suggestive of a pauper's oath; and any such suggestions are eminently unfair to the purposes and objectives of the program. Quite obviously, if an individual is capable of taking care of his or her medical needs, then in the American tradition, such individual would want to do so. But, it should be borne in mind that the people this legislation is trying to help are those without adequate funds to help themselves. Does it not stand to reason that an inquiry of one sort or another must of necessity be made, in order to arrive at a determination as to the applicant's eligibility? It was never the intent of Congress to oblige anyone seeking this assistance to be embarrassed, and certainly no one would condone such treatment outside the realm of emotionalism, leading to the unavoidable conclusion that, since the act was intended for the needy, some determination of this need must be made. Since those who are going to be helped are of modest means, does not a fair and reasonable test have to be applied in order to make that determination? It should be remembered that there are Federal and State funds involved, and there is the duty upon those charged with administering the program to see that the funds are properly applied.

The charge that the means test is demeaning is not well documented. However, if experience were to show that, in reality, an undue hardship is being placed upon those persons seeking assistance, then the obvious remedy is to amend the requirements, not discard the program. The minority report to the Special Committee on Aging carries the suggestion that one way to remedy this, if a problem in fact exists, is through an amendment to the present law stipulating that a simple statement setting forth details of the individual's finances, submitted under oath, by the applicant for aid would be presumed valid in determining eligibility.

In an effort to bring all the facts into their proper perspective, it should be noted that Kerr-Mills was designed to provide assistance to senior citizens as and where needed. The need factor cannot be too strongly underscored. Approximately 2.5 million, or 16 percent of our population, at the 65 age level or above, receive public assistance. Beyond that there are those having incomes adequate to cover living expenses, but inadequate to take care of hospital and medical expenses of a protracted nature. But, regardless of numbers, it is the needy who must be considered, and it is just that purpose which Kerr-Mills, in its full and complete implementation, will accomplish.

Kerr-Mills was intended to supplement, not supplant. In this connection, Dr. Vetalis V. Anderson, president of the Colorado State Medical Society, wrote to me recently, outlining the society's proposal to implement the medical assistance for the aged portion of Kerr-Mills. Dr. Anderson does point out that the plan has been submitted to the Colorado General Assembly Legislative Council for study. I ask unanimous consent that Dr. Anderson's letter be printed at this point in the RECORD.

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

COLORADO STATE MEDICAL SOCIETY,
Del Norte, Colo., May 1, 1962.

Senator GORDON L. ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: The Council on Governmental Relations of the Colorado Medical Society, working closely with Mr. John J. Vance of Colorado Blue Shield, has drafted a proposed method implementing the medical assistance to the aged portion of the Kerr-Mills law (Public Law 86–778). In the hopes of obtaining passage of this plan or some revision thereof, at the next session of the Colorado General Assembly, we have submitted our plan to the assembly's legislative council for study.

We believe that you will also be interested in knowing something about our proposed implementation of the medical assistance to the aged portion of the Kerr-Mills law in Colorado. The object of implementing this portion of Public Law 86–778 is to help those persons in Colorado who are over age 65 and acknowledged to be presently, or potentially, medically indigent, and who for one reason or another are not eligible for the OAP medical care program.

Our proposed medical assistance to the aged program recognizes the first dollar needs of the very indigent, but mainly its help is directed at the catastrophic expenses which can represent financial hardship to even the reasonably affluent aged members of society.

The program would not replace the benefits available through the many voluntary prepayment plans in existence, but is designed to encourage self-help and enrollment in such plans, and to supplement them through an extension of benefits. We propose that certain base plan benefits be established, the cost of which constitutes a deductible feature which must be borne in whole or in part by the medical assistance to the aged recipient. When the medical assistance to the aged recipient finds the benefits of his base plan are exhausted, or when similar services have been paid out-of-pocket by the recipient with no base plan coverage, then the protection of this medical assistance to the aged extended benefit approach becomes applicable.

It is recognized that the potential medical assistance to the aged recipients vary in degree of medical indigency. Each can help himself to some degree and self-help is the foundation of this approach, although recognition is given to the extreme indigency status of some classes of medical assistance to the aged recipients.

The base plan constitutes the deductible services, the cost of which the individual must bear, either through membership in prepayment plans or as an out-of-pocket expense at the time the service is incurred. In the case of real indigency, the cost of the base plan would be subsidized by medical assistance to the aged.

Any voluntary hospital-medical prepayment plan would be eligible to underwrite the base coverage at whatever rates the individual organization felt were warranted, providing the plan offered the precise benefits set forth by the Colorado Department of Public Welfare, administrators of the plan, on a noncancellable basis, and were approved by the Colorado Insurance Department as reputable firms.

We propose that the base plan coverage include complete hospital benefits up to 30

days per year; outpatient service; nursing home benefits of 30 days[1] a year at an allowance of up to $5 per day when under the care of a physician in a licensed nursing home; home nursing service during any 30-day convalescent period each year with daily visits if necessary at an allowance of up to $3 per nursing visit; medical-surgical benefits in the hospital or doctor's office and *home calls* by a physician at a rate of up to two calls each year during a 30-day convalescent period following hospital care.

The medical assistance to the aged is proposed in the form of subsidization of the cost of the base benefits for the very indigent, thereafter in extended hospital and medical benefit protection, applicable only after the base benefits are exhausted. The medical assistance to the aged program would renew the base benefits (except for the nursing home care) as often as medically necessary, with each renewal after the first subject to a minimal payment by the recipient on the basis of his financial condition. Our proposed program omits convalescent nursing home services, in the belief that such service beyond that provided in the base plan, is of a custodial rather than of a medical nature, and is therefore a cost of living, not a medical cost.

There are some unknowns in our cost estimates of the proposed program, but we feel that this is not an insurmountable obstacle. Much of the cost of base benefit renewal can be ascertained from OAP experience, which discloses in the last fiscal year that only 860 cases out of 20,754 admissions required more than 30 days of acute hospital care. We believe that a liberal estimate of the cost of this program would be $3 million of State money to be matched by Federal funds under the Kerr-Mills law.

We hope this rather lengthy explanation of our proposed medical assistance to the aged program will give you some idea of what we believe can be done for Colorado's needy and near-needy aged. We feel that this is the proper solution to the medical care problems of this aged group in Colorado and could be adapted by every State in the Nation.

Sincerely,

V. V. ANDERSON, M.D.,
President.

Mr. ALLOTT. Mr. President, my State has already in effect an old-age pension, health, and medical care program which it adopted in 1956. At that time, a limitation of $10 million was placed upon the funds to be earmarked for carrying out the program. Therefore, while we have a good program presently operative, the constitutional limitations will have to be amended in order to adopt the MAA program under Kerr-Mills.

Mr. President, I now withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Colorado is withdrawn.

EXHIBIT 1

ECONOMIC FACTORS

SUMMARY

Money income: Eleven out of every twelve persons 65 and over received some cash income in December 1960. Slightly more than half of this income came from private and the balance from public sources. Social security and other forms of public insurance accounted for the bulk of public income and employment accounted for the bulk of private income. Over one-third of the estimated aggregate income of $32 billion received by the aged was represented by earnings from employment.

Employment status: Of the elderly men who worked in 1959, 54 percent held full-time jobs for more than half the year. Over half of the elderly working women held part-time jobs, and 36 percent of them worked full time for more than 26 weeks. Employment of the aged involves a significant amount of part-time, or part-year work. The prevalence of work decreases with age and, among those who continue to work, self-employment becomes more dominant. In late 1959, the percentage of aged men looking for work was less than the rate for all men. Their length of time out of work was greater. For most aged who work, income from their jobs is only one source of total income. Often public sources are also involved.

Retirement: The number of workers covered by private pension plans in the United States increased from 2.7 million in 1930 to 20.2 million in 1959, or from 5.4 percent to 29.1 percent of the civilian labor force. The typical pension pays 25 to 40 percent of average earnings before retirement. The vast majority of pensioners are covered by Old-Age, Survivors, and Disability Insurance. Roughly, 50 percent of private retirement programs have vesting provisions and the percentage is growing. Private pensions and individual annuities represented slightly less than 6 percent of the estimated aggregate income of persons 65 and over in 1960. In 1959, as in the preceding 4 years, private pension plans took the largest single share of employer-employee contributions to employee-benefit plans.

Of the public income-maintenance programs, OASDI is by far the most important. It now covers 9 out of every 10 workers and is paying benefits to nearly two-thirds of the aged population. In August 1961, the average individual benefits were $75.77 per month. In December 1960, average monthly benefits were $123.90 for man and wife, and $57.70 for an aged widow.

The railroad and Federal retirement systems provide higher pension benefits than the OASDI program. Benefits paid by State and local governments vary widely. These programs generally require direct participation by the employee.

Two types of public benefits based on demonstrated need and derived from general tax revenues are old-age assistance benefits and payments to wartime veterans for nonservice-connected disabilities. The former vary considerably by State, ranging in July 1961 from $35.32 to $114.26 a month. The national average was $67.99. Veterans 65 or over are eligible for monthly pensions based on disability, unemployability, and low income. The benefits range from $40 to over $150 a month.

Distribution of money income among the aged: In 1960, less than $1,000 in total money income from all sources was received by 52.7 percent of all noninstitutionalized aged individuals; 27.1 percent of the men and 73.9 percent of the women were in this income group. The median income of aged persons was approximately 83 percent higher in 1960 than in 1950 as measured in 1960 dollars. Money income of $5,000 or more was received by 11.8 percent of the men and 1.7 percent of the women in 1960.

In 1959, of the 6.2 million families headed by persons 65 or older, money incomes for half were below $2,830 and for one-fourth were below $1,620. The average family comprised 2.6 members of whom three-fifths were 65 or over. Of the 3.6 million elderly persons living alone or with nonrelations in 1959, incomes of half were below $1,000 and of four-fifths below $2,000.

The per capita income of families headed by persons 65 and over, in 1958, was only 58 percent as much as that for families whose head was between 55 and 64, but it was 81 percent as much as that for families headed by persons 25 to 34 years old. The income position of the aged is more fixed than for the younger age groups. Many of the younger families are in transition to larger incomes; the aged are not.

Assets: Of the spending units with heads 65 and over, 13 percent did not report owning any liquid assets, corporate stock, equity in home, other real estate, or unincorporated business in 1960. An additional 23 percent held less than $5,000 in such assets. Approximately 40 percent had assets valued at $10,000 or more. All together, half had assets of $8,000 or more. Equity in home was the most important type of asset in terms of value. The type of asset held by the largest percentage of spending units was liquid assets. The pattern of holdings was similar to spending units with heads between 45 and 64. Younger spending units had considerably less than those headed by aged persons. In regard to aged OASI recipients alone, in 1957, 10 percent of the retired couples, 33 percent of the single retired workers, and 27 percent of the aged widows had no net worth (value of selected assets—major portion of total assets—less reported debt). On the other hand, 48 percent of the retired couples, 39 percent of the single retired workers, and 32 percent of the aged widows had a net worth of $10,000 or more. The data show quite a spread in asset position among the aged.

In regard to liquid assets, in early 1960, more of the aged spending units had no liquid assets than all spending units (30 percent versus 24 percent), but more had at least $2,000 in such assets (40 percent versus 25 percent). Twelve percent of the aged units had over $10,000 in liquid assets alone. Among the aged, those with the smallest incomes are likely to have the least liquid assets.

One of seven aged spending units had corporate stocks or bonds in 1960. The median equity greatly exceeded that of younger spending units. Most of these aged spending units also had significant bank accounts and savings bonds.

In 1959, 66 percent of the nonfarm family units headed by persons 65 or over owned their own homes. Of these homes, 83 percent were free of mortgage debt. In contrast, 58 percent of all nonfarm family units owned the homes in which they resided and 44 percent of these homes were mortgage free. In 1960, the median equity in their own homes of aged spending units who were homeowners was $9,700. Home ownership was positively correlated with level of savings and with income. For example, in 1957, among OASI beneficiaries, 8 of 10 couples with incomes of $5000 or more owned nonfarm homes, but less than two-thirds of those with incomes below $1,200 were owners.

In 1957, 56 percent of the spending units with aged heads owned a life insurance policy, compared to 79 percent of all spending units. The value of the insurance was, in general, enough to cover burial expenses.

In 1959, a survey showed that 69 percent of the aged spending units were entirely free of debt, as compared with only 32 percent of spending units of all ages. Only 11 percent of units headed by elderly persons had mortgage debt (versus 31 percent for all units), and 26 percent of the older group had personal debt (three-fift[illegible] under $200) compared to 60 percent of all spending units.

The aged tended to look upon savings and other assets as resources to be used to meet expenses only in a dire emergency. This was particularly true of housing.

Noncash income: Noncash income probably plays a more important role in the well-being of elderly people than it does in the case of younger adults. In 1957, among OASI beneficiaries four of five couples and

[1] In addition to the 30 days of convalescent nursing home care, provision is made for an additional 12 months extended care in a person's lifetime.

three of five nonmarried persons had noncash income of one or more of the following types: imputed rental value of an owned home, rent-free housing, food homegrown or obtained without cost, medical care provided free or at someone else's expense. It has been estimated that the value of noncash income of the aged amounted to $3 billion in 1958.

Tax position of the aged: In 1957, 6.5 million of more than 16 million persons 65 and over filed an income tax return. Of these, 3.2 million returns were taxable. The Federal and State Governments have special tax provisions for the aged. For example, the Federal Government gives special consideration to age itself, blindness, public and private retirement benefits, and medical expenses. Certain taxes, other than those on income, may be unfavorable for the aged.

Budgetary needs: It is estimated that, on the average, persons over 65 have somewhat lower living costs than their younger counterparts. Budgets for the aged have been worked out by various government agencies. These budgets are calculated to support a modest but adequate living. They have several limitations which are noted in the text. Within these limitations, the fact that many aged fall below the threshold of adequacy is shown. It is also noted how many of the aged are well above the threshold and presumably able to meet living expenses.

The economic picture of the aged is mixed. Not all are in a difficult position. A significant segment of the aged, however, have neither the monthly income nor the capital assets to withstand protracted economic adversity. The aged who are disadvantaged differ from the younger disadvantaged mainly in the fact that their position is relatively immune to change either through prospective employment or otherwise.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MILLER. 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. MILLER. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all in line 19, page 2, after "(4)," and all of lines 20, 21 and 22, and insert in lieu thereof the following: "it is a duty of government to provide necessary hospital and medical services for those citizens, young and old alike, who cannot otherwise obtain such services."

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Iowa will state it.

Mr. MILLER. Do I correctly understand that 30 minutes is allocated on each side of the amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. MILLER. I yield myself 30 minutes.

Mr. President, I ask unanimous consent that 3 minutes from the opposing side be extended to the distinguished Senator from Pennsylvania [Mr. CLARK] and that his remarks appear at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. Not at all; the time is gladly yielded.

The PRESIDING OFFICER (Mr. METCALF in the chair). Is there objection? The Chair hears none; and the Senator from Pennsylvania may proceed.

JAILING OF DR. MARTIN LUTHER KING

Mr. CLARK. Mr. President, in today's press I note an article which indicates that Dr. Martin Luther King has been jailed in Georgia for having been convicted of violating a street and sidewalk assembly ordinance, in leading a street demonstration without a permit in Albany, Ga., last December 16.

Dr. King has stated that he believes this conviction was unjust; I suggest that it was unwise as well as unjust.

Dr. King was offered the option of paying a fine of $178 or going to jail for 45 days. He exercised his option by accepting the jail sentence. This was a sound decision.

At the trial, which was held in February in Albany, Ga., Dr. King testified that the demonstration for which he was arrested and jailed was strictly a nonviolent march on the city hall, to pray and to seek to have talks with the commissioners, who had been unwilling to permit a public demonstration in opposition to the erection of serious racial barriers discriminating against the Negro race in the city of Albany, Ga.

I say that this conviction and the jailing of Dr. King are unwise because they merely tend to emphasize that there are still, unfortunately, areas of our country in which the Constitution of the United States, as represented by the 14th amendment, is not in effect. This I deplore.

Mr. President, it has been my pleasure to know Dr. King personally. I have the highest regard for his integrity. I believe firmly in the objective he is seeking to bring about—which is, in short, that all American citizens, regardless of their race, creed, or color, are entitled to the equal protection of the laws and are entitled to the privileges and immunities of citizens of the United States. It occurs to me that those who do not agree with the Constitution of the United States, as I have stated it, are doing their cause no good and much harm by arresting, convicting, and sending to jail an idealist, a man of great force, great ability, and great eloquence, who is doing much to bring to the attention of all America, and to the attention of the world at large, the fight for the principles in the Declaration of Independence and in the Constitution of the United States.

I extend to Dr. King my heartfelt sympathy; and for the public record I wish to state my strong disagreement regarding both the justice and the wisdom of the the action taken by the Georgia court.

I ask unanimous consent to have printed at this point in the RECORD the news article to which I have referred, which was published today in the New York Times.

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

[From the New York Times, July 11, 1962]

DR. KING IS JAILED FOR GEORGIA PROTEST

ALBANY, GA., July 10.—The Reverend Dr. Martin Luther King, Jr., Negro integration leader, and a fellow minister went to jail today to emphasize their nonviolent defiance of racial barriers.

Dr. King and the Reverend Ralph Abernathy, both of Atlanta, were convicted in recorder's court of having violated a street and sidewalk assembly ordinance by leading a street demonstration without a permit last December 16.

Recorder A. N. Durden sentenced them to pay $178 fines or spend 45 days in prison. They spurned both the fines and freedom on bond through appeals and went to jail to await assignment to prisoner street gangs.

A 1960 jailing of Dr. King led to a train of events that some observers said may have swung the presidential election to John F. Kennedy.

In that case Dr. King was taken in handcuffs to prison to serve 4 months on a traffic count brought in Decatur, an Atlanta suburb. Mr. Kennedy called Mrs. King to express sympathy and his brother, Robert F. Kennedy, now Attorney General, telephoned the judge to inquire about bond.

CALLS WERE PUBLICIZED

The calls were widely publicized and some commentators suggested they may have influenced enough Negro votes to give the Democratic candidate * * *. Mr. Kennedy's margin was narrow in some key States.

After 2 days in prison, Dr. King was released and the sentence later was cut to a $25 fine and 6 months' probation. He had originally been given a 12-month suspended sentence on a driver's license charge, and 4 months of the suspension had been revoked after his arrest in an Atlanta sit-in.

The integration leader today assailed both the Albany ordinance used in his latest trial and the court that convicted him. He called them unjust and said he would be "just as wrong if I paid a fine under the circumstances."

Dr. King, the president of the Southern Christian Leadership Conference, said that he was courting neither martyrdom nor publicity, but merely expressing his conviction or the principles involved.

Mr. Abernathy concurred. He declared that someone had to break unjust laws for the sake of this and future generations.

TWO OTHERS CONVICTED

Two Albany Negroes were convicted on the same charges, but received lighter sentences. Solomon Walker was given a choice of a $100 fine or 30 days in jail; Eddie Jackson, a $25 fine or 10 days.

Mr. Walker, an insurance salesman, appealed to gain freedom on bond because "I have to make a living." Or, Jackson said he would serve his time.

The 4 Negroes were among more than 700 arrested in this south Georgia city during December for marching in protest against segregation practices. The police said Dr. King and Mr. Abernathy led a group of some 250 demonstrators.

Dr. King testified at the trial, held in February, that the demonstration was strictly nonviolent—a march to the city hall to pray and seek to have talks with the commissioners.

Dr. King is associate pastor of the Ebenezer Baptist Church in Atlanta. His father is pastor.

Mr. CLARK. Mr. President, I thank the Senator from Iowa for his courtesy in yielding to me.

Mr. JAVITS subsequently said: Mr. President, I wish to identify myself with the objective being sought by Dr. Martin Luther King in his protest acceptance of a jail sentence instead of paying a fine for an alleged violation of a street and sidewalk assembly ordinance in leading a street demonstration without a permit in Albany, Ga. The distinguished senior Senator from Pennsylvania [Mr. CLARK] spoke on this subject just a few minutes ago. I was to have coordinated my remarks on this subject with his, but I was engaged in a conference and could not be here.

As a lawyer, I express no opinion as to whether Dr. King's conviction is proper or not; the courts will decide that. But as a Senator, I say it is tragic in our country to have thus to call attention to a deprivation of civil and moral rights, as Dr. King is doing, with the eminence and distinction he enjoys in his field, and in the leadership of the Negro people.

I predict that such an invocation of serious, drastic remedies in a situation of this kind will not result in subduing or repressing the demand for equal opportunity which is typified by the protest of Dr. Martin Luther King, but will, if anything, accelerate it.

I believe it is our duty to subscribe to and identify ourselves with the fact that the object sought is the right one. It is tragic that in our country attention has to be called to it by this means.

TRIBUTE TO MISS FRANCES KNIGHT AND TRANS WORLD AIRLINES

Mr. CARLSON. Mr. President, will the Senator from Iowa yield, so that I may ask unanimous consent to be allowed 2 minutes in which to make a brief statement?

Mr. MILLER. Mr. President, inasmuch as I have already yielded myself 30 minutes, I now ask unanimous consent that, instead, I be permitted to yield myself 28 minutes, and also yield 2 minutes to the distinguished Senator from Kansas, so that he may make his statement, to appear at this point in the RECORD.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection? Without objection, it is so ordered.

Mr. CARLSON. Mr. President, I appreciate very much the kindness and courtesy of the distinguished Senator from Iowa [Mr. MILLER].

I should like to use these 2 minutes to commend the Passport Office, under the direction of Miss Frances Knight, and also Trans World Airlines, Inc. Both went out of their way, last week, to see that one of my constituents flew out of New York for Austria in time for her brother's funeral.

On the morning of July 5, I received a frantic long-distance telephone call from Dr. Gertrude Denning, professor of German at Emporia State Teachers College, at Emporia, Kans. She had received word that her brother had passed away in Austria the night before. Dr. Denning explained that the application for renewal of her passport had been sent to Washington on July 2, and that she must leave New York City on the evening of July 6.

I immediately contacted the Passport Office, and talked to Mrs. Lee Alsop. No application could be located. Not until around 11 o'clock on the morning of July 6 did the application arrive. By this time, Dr. Denning was en route to New York via TWA. TWA picked up the passport, had someone meet Dr. Denning in New York, to advise her the passport was on its way, and in a few hours delivered the passport to her. Thanks to Mrs. Alsop, of the State Department, and Miss Judy Cox, of TWA, Dr. Denning was able to take a 7 o'clock plane out of New York for Europe.

When one hears so much criticism about our civil servants, for whom I have the greatest respect, I think this incident is worth noting. As ranking minority member of the Post Office and Civil Service Committee, I have worked constantly in their behalf. I am sure Mrs. Alsop's efforts are repeated numerous times daily by the majority of our civil servants; but this particular case meant so much to Dr. Denning and to me that I felt it worth calling to the attention of the Senate.

Mr. President, I thank the Senator from Iowa for his courtesy in yielding this time to me.

Mr. MILLER. I am glad to yield to the distinguished Senator from Kansas.

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.

The PRESIDING OFFICER (Mr. METCALF in the chair). The Senator from Iowa is recognized for 28 minutes.

Mr. MILLER. Mr. President, I am opposed to President Kennedy's medicare program, sometimes called the King-Anderson bill, and now before us substantially in the form of the Anderson-Javits amendment. My principal objections are twofold, as follows:

First. The Anderson-Javits amendment would provide benefits to anyone over 65 years of age, regardless of his or her financial need.

Second. The social security program is proposed as the vehicle for financing the program, notwithstanding the serious financial situation the social security program is in today. I propose to elaborate on these reasons in the course of my remarks.

There are a good many misunderstandings about President Kennedy's so-called medicare program, now modified and incorporated in the Anderson-Javits amendment. One of these is that by making payments into the social security program during their working years, people will be building up an insurance fund out of which their medicare needs—hospital and nursing-home care, as covered by this amendment—can be met after they reach age 65. But such is not the case. In 1959, the Supreme Court of the United States made this clear, in the case of Fleming against Nestor, in the following statement:

> Persons gainfully employed, and those who employ them, are taxed to permit the payment of benefits to the retired and disabled, and their dependents. Plainly the expectation is that many members of the present productive force will in turn become beneficiaries, rather than supporters of the program. But each worker's benefits, though flowing from the contributions he made to the national economy while actively employed, are not dependent on the degree to which he was called upon to support the system by taxation.

Note the words "not dependent." Social security benefits to those over 65 are not met by payments made during their working years, but are met by taxes paid by current active workers. This is why it is misleading to talk about this program as health insurance. It is not insurance at all. If it were, the millions of people now retired under the social security program would not receive any medicare benefits at all, because they never paid anything into the social security program for them; and the millions who are in the middle age bracket would receive only a fraction of the medicare benefits, because they would have paid into the social security program only a fraction of the taxes needed to meet the cost of the benefits. The value of the benefits of those who have paid nothing at all for them is estimated at between $10 and $20 billion. The value of the benefits in excess of taxes that will be paid in by the worker and his employer, for all present active workers is estimated at $15 to $40 billion. The result is that the young people who will be entering the labor force in the future must make up between $25 and $60 billion of benefits which the recipients have not paid for. This is not insurance at all. It is a windfall that the present generation is proposing to receive at the expense of future generations.

The statement has been made that this is desired by the younger generation in order that their older relatives may have some medical benefits. I do not question that statement insofar as it applies to our older citizens who cannot afford decent hospital, nursing home, and even doctor's care. But I certainly do question it as far as concerns those who can afford these essentials. I do not believe that our young people want to be taxed to pay for benefits for people who can afford them. And I do not believe those who can afford them are selfish enough to want a free ride on the backs of their children and our future generations.

I do not know how many of the some 15 million people 65 and over who would become eligible for these medicare benefits under this amendment can afford to pay for them. Apparently, of the 12 million 65 and over under social security now, some 1.2 million of them are excluded from benefits by reason of their earned-income receipts. But there are many, many others who are receiving pensions, rental income, interest income, and dividend income who could afford these medicare benefits too. It is com-

mon knowledge that, to protect their social security retirement pensions, many older citizens convert their self-employment income into nonworking income of the kind I have referred to. Others have built up substantial property holdings as nest eggs to cover contingencies such as prolonged illness and catastrophic disease. Others have built up accident and health insurance programs which, either in full or in part, would take care of their hospital and nursing home needs, as well as doctor bills. It is grossly unfair to give these people a windfall at the expense of younger people, with families, who are trying to make ends meet right now. The inequities of the situation which this amendment would create are aggravated by the fact that these same people can deduct for income tax purposes the entire cost of their medical needs, whereas those under 65 cannot do so. In fact, I would estimate that most of those under 65 never receive the benefit of any medical expense for income tax purposes, because the tax law is so arranged that either they use an optional standard deduction—in which those with medical expenses are treated the same as those without medical expenses—or the arbitrary 3 percent of their adjusted gross income exceeds their medical expense so that no deduction at all is received.

Note also that while the medical expenses of our older citizens are higher than those of our younger people, these younger people are beset by medical expenses for their children, clothing and education costs of their children, mortgage payments on their homes, costs of home furnishings and appliances, and automobiles. Many of these older citizens have no automobiles—they are retired and do not need one in connection with their work—they own their own homes, which have long since been furnished, their families are raised and are out on their own. Their food and clothing costs are much less. I am not suggesting that this is not as it should be. After long years of hard work, this is a financial situation which should only naturally develop. What I am saying is that, in this state of affairs, it is unfair to ask the future generations of our Nation to pay for hospital and nursing home care for those older citizens who can afford to do so, themselves. Indeed, I would suggest that those older citizens who can afford to do so are resentful of the appeal to selfishness which this amendment contains.

The only way to cure this amendment of this inequity is to modify it to provide for exclusion of benefits of those who can afford them, or for partial exclusion of benefits of those who can afford some of them. I suggested to the distinguished Senator from New Mexico [Mr. ANDERSON] last week in a colloquy that one approach would be to take the income-from-work test now used in scaling down or eliminating social security payments. The defect here, however, would be that people receiving income from rentals, interest, or dividends would not be excluded, and these people might well be even better able to afford their hospital and nursing home expenses than some of those receiving income from wages or self-employment. As I pointed out in my colloquy with the distinguished Senator from Kentucky [Mr. MORTON] last Friday, income from long-term capital gains which—to the extent of 50 percent—is not recognized for income tax purposes represents economic income and should be reflected in determining eligibility.

If it be suggested that all of this would be administratively cumbersome, the answer is that the States are doing this right now in determining eligibility for old age assistance and aid to dependent children; and while it may be administratively cumbersome, it is necessary to prevent taxation of people to pay expenses of others who can afford to pay for them—perhaps even better than those who are being taxed.

My colloquy with the Senator from New Mexico [Mr. ANDERSON] brought out the point that, under the Anderson-Javits amendment, the cost of catastrophic disease or illness of people under 65 would not be covered. Accordingly, I suggest that, from the standpoint of the duty of government to provide for those citizens who cannot provide for themselves, this amendment is grossly deficient. In addition to the case I referred to in the colloquy, let me give the Senate some other cases. The first three are hypothetical, but are based upon facts of actual cases given to me by a practicing physician. The fourth is quoted from a recent article in Medical Economics:

Case No. 1, Mr. A., age 40, fell at work 7 years ago and severed his spinal cord, causing permanent total paralysis of both his legs. For 2 months his insurance company assumed responsibility for his hospital bills. After that, he paid his own way until he had liquidated all his assets. He lost his home, his car, and his savings. Having become a pauper, he at last became eligible for public welfare and has been on the welfare rolls since. This injury has caused extensive hardships to the patient and his entire family. His lot has recently been somewhat improved, but only by his winning a lawsuit which was drawn out over the years and was in itself most unpleasant.

Comment: This man was working in a State (not Massachusetts) which has grossly inadequate liability laws for workingmen. Another individual with a similiar injury, but properly insured, has maintained his home intact and since his injury has had two sons graduate from college with honors. Legislation providing coverage for all individuals struck with catastrophic illness would prevent the hardship suffered by Mr. A. and his family.

Case No. 2. Mr. B., age 45, worked 20 years in a satisfactory manner for company X. One year ago he had a heart attack. After a 3-month convalescence, Mr. B. was ready to return to light work. Company X, and all others to which he has applied for work, refuses to hire him unless the doctor will certify he has returned to normal and is physically capable of doing any job in the plant. Since this cannot be done, Mr. B. is being denied his rightful employment and is being forced to do either menial odd jobs about the town or accept charity. The reasons company X will not hire him involve seniority rules and bumping rights written into their contract with the local union, and unrealistic State liability laws regarding heart disease and symptoms related to it which appear on the job.

Comment: Legislation aimed at making a place in industry for partially disabled men is sadly needed. Many companies would hire such people if they could control what type of work they did, and if liability laws were made more realistic.

Under the Anderson-Javits amendments, this person would be left out in the cold.

Case No. 3. Mr. C., age 32, was a partner in a small contracting business. His job was to operate and maintain the heavy machinery. This required extreme physical exertion, long hours, and exposure to the elements. Three years ago he developed acute Bright's disease (kidney trouble) and almost died. Convalescence was slow and painful. As time went by, it became apparent that he could not resume his previous occupation, and he was advised to learn a new trade. He applied to the State rehabilitation commission for help. For several months he went to interviews, filled out forms, and watched the bureaucrats shuffle papers. Then his wife went to work, friends loaned him money, and he went to a school for laboratory technicians for 1 year. On graduation he applied for and obtained a job as part of a research team in one of our finest hospitals. The rehabilitation commission did nothing.

Comment: Our Federal Legislature could set up a true rehabilitation (retraining) program available to anyone disabled by illness. It would be much more economical to get these people back to work than to pass out pensions, which is all our rehabilitation commission ever seems to do. The Federal Government has demonstrated what a great job it can do with the VA rehabilitation program.

I point out that under the Anderson-Javits amendments Mr. C would be left out in the cold.

Case No. 4. L. D. was a 37-year-old machinist living in Milwaukee, married, with two children. In 1956, he was crossing a street one evening on the way home from work when a car struck him and broke his hip. The driver was at fault but had minimal insurance and too few assets to be worth suing.

L. D.'s fractured hip became infected (osteomyelitis). He spent the next 3 years in a plaster cast from chest to toes, and at this writing has had more than 20 operations. He'll never walk again; he'll be in pain for much of the rest of his life; he'll need further operations approximately once a year.

L. D.'s tragedy isn't only medical, but financial. His bills are astronomical; so far he owes the hospital alone more than $25,000. His savings have vanished. His health insurance, as always in such cases, was a cruel disappointment. His earnings have stopped for good; and he worries day and night.

Comment: This is a case where the Federal Government could return this man to society at the same economic level he had reached prior to his horrible injury, if they would back everyone, regardless of age, color, etc., who is struck down by catastrophic illness.

The Anderson-Javits amendments would leave this individual out in the cold.

All of these cases are those of young people. All of them are what one might call catastrophic situations. All of them should be covered by the Government, at least after the point is reached that the people involved cannot afford to pay for

their medical and hospital bills. However, the Anderson-Javits amendments would not take care of them at all.

Another unfairness which the amendments would perpetrate is that by covering everyone over 65, regardless of his financial need, the benefits going to those who are in need would inevitably be reduced. In fact, this is one reason why the benefits provided by the amendments are inadequate to take care of a catastrophic situation. If adequate coverage is to be extended, then the cost of the entire program will have to be greatly increased—if everyone is going to be covered. By limiting coverage to those who are in need, we would not face such a dilemma. Costs would be kept down, and the benefit coverage would be kept high. Indeed, I believe I speak for a great many people when I say that I am more concerned about coverage for people such as those referred to in the foregoing examples than I am about coverage for someone who happens to be over 65 years of age and who has the wherewithal to meet the costs of his medical and hospital care.

One of the most controversial features of the Kennedy medicare program, as reflected in the pending amendments, is that it is proposed to finance it by payments into the social security system. Millions of people are now working under social security and are (between themselves and their employers), making payments for what they hope will be a reasonable pension during their retirement years. Unfortunately, the purchasing power of these social security pensions has been steadily eroded by inflation. And so, Congress has periodically increased the amount of the pensions in order to preserve the purchasing power of the pensioners. The social security taxes have not been increased proportionately, however. The increase in taxes has largely been scheduled to meet the increased numbers of people coming into retirement status. Accordingly, more and more of the burden of paying for these unfunded social security benefits has been shifted to future generations.

In the June 29, 1961, issue of the Wall Street Journal, an article by Mr. Ray M. Peterson, vice president of the Equitable Life Assurance Society, points out that if social security taxes had ceased in 1950, the trust fund would have covered 113 percent of the benefits promised for the future for those then in receipt of payments; but if taxes should cease in 1965, only 20 percent of the benefits for those then on the rolls would be covered, with no provision at all for those not retired. Such a state of affairs would not exist if social security taxes had been increased in the amount needed to pay for increased benefits and for the broader coverage of workers. But they were not increased. The decision was made by Congress to shift the burden on to our future generations—the same ones, I might add, to whom is being passed a national debt of over $300 billion.

This was, perhaps, the easy way out for Congress and those now covered by social security. It would have been fairer either to have increased the social security taxes or to have appropriated the difference needed out of the general fund into which taxes paid by everyone are funneled. We are running into a similar problem now with respect to the retirement of our Federal civil service employees. In the July 2 issue of the Washington Evening Star, a timely article by Joseph Young, staff writer for the Star, calls attention to the present unfunded liability of the civil service retirement fund of $32 billion and to warnings by CSC officials that the fund will go bankrupt by 1980 if additional means of financing it are not secured. Mr. Young reports that a considerable number of Members of Congress believe the situation poses a greater threat to the civil service retirement system than any plan to coordinate the retirement system with social security as the administration is expected to advocate next year. Such a solution, of course, would merely shift the burden on to future generations. A fairer way of handling it would be to increase the amounts contributed by Civil Service Commission employees to the retirement fund, or to make appropriations from the general fund to make up the deficit, which is what we are doing today.

However, Mr. Young says that if the civil service retirement fund's liability increases to a point where the Government would have to begin to pour billions of dollars into the fund each year in order for it to meet its obligations, the Congress might then very well be in a mood to reduce civil service retirement benefits, merge it with the social security system or abandon it entirely. In the face of this financial mess of our civil service retirement system, it is now reported that the Senate Civil Service Subcommittee will approve a bill giving retired Federal workers and their survivors an immediate 10-percent increase in annuities. We will trust that the subcommittee comes up with the solution of not only how to finance this increase but how to clean up the financial mess which the increase will worsen.

Anyone can see that if the benefits are increased, someone is going to have to pay the freight. It probably will not come from increases in the contributions made to the retirement system, because that would be unpopular. It probably will not come from appropriations from the general fund, because the budget is already badly unbalanced, and the future is as bad as the present.

The quick, easy answer is to pass the whole load on to the backs of future generations by integrating the system with the social security system. That is why, no doubt, the administration is reported as planning to take this action.

I call attention to the plight of our civil service retirement system as a parallel to the plight of our social security system. The trust fund is practically used up. As graphically pointed out in an excellent article in the July 2 issue of U.S. News & World Report, entitled "The Untold Story of Your Social Security," there is now some $22 billion on hand in the social security trust fund. The value of future contributions to be made by workers now covered by social security and their employers is some $282 billion. Thus, between the balance in the trust fund and the amounts present workers will pay in, we have a total of $304 billion to fund the benefits which are to be paid to those now retired and those now working when they retire. The pension money required for this purpose, however, is estimated to amount to $624 billion, leaving a "gap," as the article puts it, of $320 billion—a deficiency to be made up by taxes to be paid by future generations of workers and employers. This is a most serious situation. It is a most unfair heritage to pass on to our future generations, and let it be made clear that this $320 billion deficiency is in addition to the $300 billion plus national debt which is also being passed on to the future generations.

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

Mr. MILLER. Mr. President, I withdraw my amendment. I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. The Senator from Iowa [Mr. MILLER] proposes an amendment to the Anderson amendments on page 2, line 13, to strike out the word "most" and insert in lieu thereof the word "some."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

Mr. MILLER. Mr. President, as if that is not enough, it is now reported that the administration is thinking about coordinating the civil service retirement system with the social security system, thus letting the social security system absorb the serious deficit of $32 billion in the civil service retirement fund. That would add up to a $352 billion social security debt being passed on to future generations.

Now the Anderson-Javits amendment comes along, proposing to pile another $25 to $60 billion on top of that. This is nothing less than selfishness—a free ride for people who are unwilling to pay the cost of their own program and who desire to let the future generations of the United States pay for it.

I ask unanimous consent that the U.S. News & World Report article to which I have referred be printed in the RECORD at this point in my remarks, along with the examples set forth on page 47 and the table set forth on page 48 of the article.

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

THE UNTOLD STORY OF YOUR SOCIAL SECURITY

Check your own social security, and you'll probably find you are getting a bargain. Check your grandson's, and it's a different story. Reason: Pensions for this generation must be paid, in large part, by future generations.

To answer questions now being raised:

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 policyholders 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 personal 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, $3 out of every $4 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.

Social security taxes and how they grow

	Rate paid by worker, matched by employer	Maximum paid by worker matched by employer
1937–49	1 percent on 1st $3,000 of pay.	$30.00
1950	1½ percent on 1st $3,000 of pay.	45.00
1951–53	1½ percent on 1st $3,600 of pay.	54.00
1954	2 percent on 1st $3,600 of pay.	72.00
1955–56	2 percent on 1st $4,200 of pay.	84.00
1957–58	2¼ percent on 1st $4,200 of pay.	94.50
1959	2½ percent on 1st $4,800 of pay.	120.00
1960–61	3 percent on 1st $4,800 of pay.	144.00
1962	3⅛ percent on 1st $4,800 of pay.	150.00
1963–65	3⅝ percent on 1st $4,800 of pay.	174.00
1966–67	4⅛ percent on 1st $4,800 of pay.	198.00
1968 and after	4⅝ percent on 1st $4,800 of pay.	222.00

ANOTHER INCREASE COMING?

To provide for hospitalization and nursing home care for the aged, President Kennedy now urges an extra one-quarter of 1 percent in the payroll tax. The tax base would rise from $4,800 to $5,200. The maximum tax then would be raised to $201.50 next January 1, and go on up to $253.50 by 1968.

NOTE.—The social security tax on self-employed persons, first covered in 1951, is 1½ times the tax on employees.

IS YOUR SOCIAL SECURITY A BARGAIN?—HERE ARE SOME EXAMPLES

Example A: A worker who retired in 1940 at age 65. Wife the same age. Before retirement, worker and employer had paid social security taxes for 3 years. Total tax, worker and employer combined: $180. Since retirement, this man and his wife have been drawing benefits for 22½ years. Total benefits to date: $24,973.

Example B: A worker who retired last January 1 after paying the maximum social security tax since 1937. Total tax paid by worker and employer: $2,868. Add interest at 3 percent, and this contribution to the pension fund becomes $3,714. Pension from now on will be $121 a month for the worker, plus $60.50 for his wife if she also is 65 years old. If both live out their normal life expectancy, then total benefits for man and wife: $32,074.

Example C: College graduate starts working in 1962, pays maximum social security tax until retirement in the year 2005. Total tax paid by worker and employer: $18,564. Add interest at 3 percent, and this contribution to the pension fund becomes $36,226. Pension for man and wife, after retirement, will be at a rate of $190 a month. Total benefits, normal life: $33,664.

Example D: Young man gets a job in 1968, pays the maximum tax from then until retirement in the year 2011. Total tax, worker and employer: $19,092. With interest at 3 percent, this is worth $37,954. Assume this man is a widower, with no dependents. He lives 2 years after retirement, and dies at age 67. Total benefits, 2 years: $3,048.

Mr. MILLER. Mr. President, the back-up figures or computations which support the conclusions set forth in the article I have asked to have printed were prepared by Mr. Robert J. Myers, Chief Actuary of the Social Security Administration. They are set forth in a table showing the results of liberalizing amendments of 1958, 1960, and 1961 which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

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

Balance sheet cost analyses of OASDI system, 1958, 1960, and 1962 intermediate cost estimates at 3 percent interest

PRESENT VALUE OF TAXABLE PAYROLLS

[In billions]

Item	Jan. 1, 1958 1956 act	Jan. 1, 1958 1958 act	Jan. 1, 1960 1960 act	Jan. 1, 1962 1961 act
Present members	$2,876	$3,038	$3,204	$3,279
New entrants	6,795	7,202	7,583	7,747
Total coverage	9,671	10,240	10,787	11,026

PRESENT VALUE OF BENEFITS AND ADMINISTRATIVE EXPENSES

Present members	$486	$543	$587	$625
New entrants	335	377	404	431
Total coverage	821	920	991	1,056

PRESENT VALUE OF SCHEDULED CONTRIBUTIONS

Present members	$194	$231	$254	$282
New entrants	563	641	682	719
Total coverage	757	872	936	1,001

EXISTING FUND

Present members	$23	$23	$22	$22
New entrants				
Total coverage	23	23	22	22

ACTUARIAL BALANCE, SURPLUS (+) OR DEFICIT (—)

Present members	—$269	—$289	—$311	—$321
New entrants	+228	+264	+278	+288
Total coverage	—41	—25	—33	—33

NOTE.—Present members are all living persons (including beneficiaries) who have earnings credits, as of the given date. New entrants include those participating in the system at any time after the given date who had no earnings credits before that date.

Mr. MILLER. An additional table prepared by Mr. Myers discloses that the per capita deficit for present members of the social security program is $4,679. This means that, on the average, everyone in the social security program today—both retired and working members—is passing on to our future generations a debt amounting to $4,679.

I ask unanimous consent that this table be printed in the RECORD at this point in my remarks, along with a final table showing the deficit for present members as a percentage of current taxable payroll, also prepared by Mr. Myers.

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

Per capita deficit for present members, 1958, 1960, and 1962 intermediate cost estimates at 3-percent interest

NUMBER OF PRESENT MEMBERS [1]

[In millions]

Item	Jan. 1, 1958, 1956 act	Jan. 1, 1958, 1958 act	Jan. 1, 1960, 1960 act	Jan. 1, 1962, 1961 act
Active workers	56.7	56.7	58.4	[2] 59.0
Retired workers	6.3	6.3	7.9	[2] 9.6
Total	63.0	63.0	66.3	68.6

DEFICIT FOR PRESENT MEMBERS

[In billions]

	$269	$289	$311	$321

PER CAPITA DEFICIT FOR PRESENT MEMBERS

	$4,270	$4,587	$4,691	$4,679

[1] Active workers taken as average of calendar year average figures for current and previous year (coverage in effect). Retired workers are primary beneficiaries in current payment status as of date given. Although survivor beneficiaries are not included in the count of "present members," all dollar figures include liabilities for survivor benefits.

[2] Average for March, June, and September 1961 (coverage in effect).

[3] Estimated, using 9.4 million actual as of end of October 1961, plus assured 100,000 monthly increase.

Deficit for present members as percentage of current taxable payroll, 1958, 1960, and 1962 intermediate cost estimates at 3-percent interest

CURRENT TAXABLE PAYROLL [1]

[In billions]

Jan. 1, 1958, 1956 act	Jan. 1, 1958, 1958 act	Jan. 1, 1960, 1960 act	Jan. 1, 1962, 1961 act
$181	$181	$202	$214

DEFICIT FOR PRESENT MEMBERS

[In billions]

$269	$289	$311	$321

DEFICIT AS PERCENTAGE OF CURRENT TAXABLE PAYROLL

[Percent]

149	160	154	150

[1] Taxable payroll for previous calendar year, e.g. calendar year 1961 for valuation of Jan. 1, 1962.

Mr. MILLER. The proponents of the Anderson-Javits amendment make considerable point over the fact that the social security tax would be increased only one-fourth of 1 percent for employees and one-fourth of 1 percent for employers in order to finance the program. I ask unanimous consent that a table showing the social security tax rate for 1962 and future years, both as now constituted and as it would be if this program were adopted, be printed in the RECORD at this point in my remarks.

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

EMPLOYERS AND EMPLOYEES

[Percent]

Years	Now	Bill
1962	3	3
1963–65	3½	3¾
1966–68	4	4¼
Thereafter	4½	4¾
SELF-EMPLOYED		
1962	4½	4½
1963–65	5¼	5⅝
1966–68	6	6⅜
Thereafter	6¾	7⅛

Mr. MILLER. It would be far more fair to our future generations if this proposed modest increase were greater, so that the program would be on a pay-as-you-go basis instead of $25 to $60 billion unfunded. If I understand this argument of the proponents, we might as well ask for an increase of one-eighth of 1 percent instead of one-fourth of 1 percent in social security tax. "This would make it easier for the present generations and who cares about how much more of a load will be placed on our future generations" is what their argument comes down to.

However, let us not be so naive as to think that this is where the social security tax increase will stop. We know from the history of the social security program that the trend is to bring more people into the program and to increase the benefits. When this is done, either the tax must be increased or the burden on future generations will be just that much greater. Social security taxes have been moving steadily upwards—although not enough to prevent the load on future generations from being increased even more. This program is not going to be able to satisfy the needs of people who are met with catastrophic illness or disease, or who have large doctor bills, and who do not have the wherewithal to pay for them. As time goes on, these

areas of need will be covered, and this will mean a further boost in the social security tax—unless benefits to those who do have the wherewithal to pay for their medicare costs are dropped from coverage.

Mr. Wilbur J. Cohen, Assistant Secretary of the Department of Health, Education, and Welfare testified that over the next 10 years, the earnings base for social security taxes might well go from $5,200, as proposed in the amendment, to $9,000. If this were to happen, we might just as well tack the social security tax on as an addition to the individual income tax instead of having separate taxes. The rate is likely to go up too. If all people, young and old alike, were covered under a program of hospital and medical care, the rate would be at least 10 percent on employer and employee alike; and let me make it clear that such a rate is a flat rate applied against gross salaries and wages—not against net income, as is the case with the income tax.

Some opponents of the Anderson-Javits program have insisted that the Kerr-Mills Act should be given a reasonable opportunity to work, and that if this is done, the need for coverage will be met—at least for catastrophic disease and illness cases. I would hope that implementation of the Kerr-Mills Act by the States to the point of giving it a full opportunity to become effective would rapidly take place. Doubtless it is imperfect in some respects, but a reasonable trial period will isolate these imperfections and enable the Congress to make a sound determination of what is required. Enacting legislation at this time is legislating in the dark, if we used no more than the factual data available to us in connection with the Anderson-Javits amendments.

One of the features of the Kerr-Mills Act is that it permits benefits only on the basis of need. However, one of the defects at the same time is the wide variance in need among the definitions of the various States.

In more than half of the 24 States which have so far passed enabling legislation or appropriations, or both, to implement the Kerr-Mills Act, the value of the home occupied by an applicant is disregarded. The range extends from Hawaii, with a limit of $14,000, to Arkansas, which specifies $7,500. In many States some valuations are exempt from need considerations. Differences exist in the amount of personal property allowable and that permitted to be used for business or income-producing purposes.

A single person may retain a cash reserve of $300 to $2,000, depending on his residence. A married couple may retain a cash reserve of from $600 to $3,000, depending on residence.

The face or surrender value of health insurance policies is exempt in a few States. A reasonable amount is exempt in another. Up to $1,500 may be retained by a single person, and $2,000 by a married couple in other States.

Monthly incomes allowable—in some cases the annual allowance has been divided by 12 to compute this figure—range from $83 to $250 for a single person, and from $125 to $325 for a couple. Limits differ in one State, Louisiana, depending upon whether hospital or physician services are required. In a few States the applicant's total resources are evaluated without regard to individual limits, and then compared with maintenance levels established by the State welfare department, to determine eligibility.

In a pamphlet entitled "State Finances and Medical Care Programs for the Aged," prepared for the 20th annual meeting of the National Taxpayers' Conference and Tax Foundation Conference on Federal Affairs, held in Washington, D.C., from February 3 to 7 of this year, at page 9, there appears a table showing State property-income eligibility requirements for medical assistance recipients under the Kerr-Mills provisions.

I ask unanimous consent that the table may appear at this point in the RECORD.

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

TABLE 4.—*State property-income eligibility requirements for medical assistance recipients under Kerr-Mills provisions as of Feb. 7, 1962*

Legend: S=single person; M=married couple; E=exemp.

State	Real property: Home	Real property: Except home	Personal property	Cash reserve, liquid assets, etc.	Surrender value of life insurance	Monthly income limit: Single	Monthly income limit: Married
Alabama	E	$1,000				$100	$150
Arkansas [1]	$7,500		$2,500	S$300 M600		100	125
California	$5,000		1,200			(2)	(2)
Connecticut [3]	E	S$900			(4)	129	183
	M1,300			M1,300			
Hawaii	14,000	300		Yes	Yes	Yes	Yes
Illinois	Yes	Yes	Yes	Yes	$1,000	150	200
Kentucky	E	E		S$750 M1,000		100	150
Louisiana	E	1,000	[5] E	S1,000	S1,500	[6] 250	[6] 325
		[5] 5,000	(7)	M1,500	M2,000	[8] 125	[8] 175
Maine	E	S500	[5] S1,000	S500	S500	125	175
		M800	[5] M1,500	M800	M800		
Maryland	E		$2,500			95	130
Massachusetts	E	E		S2,000	E	150	225
				M3,000			
Michigan	[9] E	E	1,000	S1,500	E	125	166
				M2,000			
New Hampshire	E	4,000		S500 M800		100	150
New York	E		E	S1,050	500	150	217
				M1,550			
North Dakota	E		$2,500			100	150
Oklahoma [10]	8,000		[11] 1,500	S700	[12] 1,000	125	166
			[5] 2,500	M1,000	[12] 2,000		
Oregon	E	1,500		S1,500 M2,000		125	166
Pennsylvania	[13] E	[7 9] S1,500				125	200
		[7 9] M2,400					
South Carolina	E	E	E	S500	[12] 1,000	83	150
				M800	[12] 2,000		
Tennessee	[14] 10,000			S1,000		83	125
				M1,500			
Utah	10,000			S1,000 M2,000		110	170
Washington	[15] E	[15] E	(15)	(15)	(15)	(15)	(15)
West Virginia	$4,000			S1,000 M1,500		125	250

[1] Residence required: 3 out of last 5 years. All other States have no durational requirement.
[2] Not to exceed medical, personal, and home and certain debt costs.
[3] Program to begin Apr. 15, 1962.
[4] Reasonable amount exempt.
[5] Income producing.
[6] Maximum allowable for hospitalization benefit.
[7] Automobile exempt.
[8] Maximum allowable for physicians' services.
[9] Plus furnishings.
[10] Plus certain other agricultural/domestic exemptions.
[11] Tools of trade.
[12] Face value.
[13] Liens executed after death of recipient.
[14] Or equity of $4,000.
[15] Excess considered as available to meet medical expenses.

NOTE.—Data for Idaho not available.

Mr. MILLER. The point to be drawn from this table is that one of the defects under the Kerr-Mills Act is the wide variance between various States in the definition of "need." That does not mean that the Kerr-Mills Act could not be improved; nor does it mean that the Anderson-Javits amendment could not be improved, by cranking in a need factor along the lines of the colloquy which I had with the Senator from New Mexico [Mr. ANDERSON] last week.

A great many people have been fearful that implementation of the amendment would result in a medical system or a Government health program in the United States which would be not unlike the one in Great Britain—not necessarily overnight, but over a period of time; in other words, that sooner or later we would get into a system such as the British people have been suffering under for the last several years.

Dr. John R. Seale, a member of the medical profession of Great Britain, made an address before the House of Delegates of the California Medical Association in San Francisco on April 24 of this year, in which he discussed the operations and the defects, as well as some of the benefits, of the British National Health Service.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the address delivered by Dr. John R. Seale.

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

THE BRITISH NATIONAL HEALTH SERVICE—THE WINDS OF CHANGE

(By John R. Seale, M.D.)

My purpose in visiting with you is to clarify the current debate on the part government should play in the control and finance of medical care in a democracy. This is merely an extension of what I am trying to do in my own country. There is no place for an Englishman to tell American citizens what they should or should not do—not since the Boston Tea Party—but I may be able to illuminate some of the issues involved. This is my third visit to the United States, and as I lived near Boston for a whole year when I was at Harvard in 1958, I have for long taken a particular interest in events in your country.

There is a book on the British National Health Service which is to be published in London at the end of April by one of our Conservative Members of Parliament who is also a physician. He states, in passing, that the medical system in the United States is by no means perfect—in no country is it perfect—but he goes on, "If my history of the British National Health Service can help the Americans to avoid some of the pitfalls into which we in Britain have so clearly fallen, then my efforts in the writing of this book will have been worth while." If my talk to you has the same effect then it also will have been worth while.

The organization sponsoring my visit to your country is the American Medical Association. I am myself a member (though, of course, not a representative) of the British Medical Association, and as I am a physician it is appropriate that my talk should be sponsored by an association of physicians. I have no particular interest in, or knowledge of, the details of the present proposals for financing medical care for the aged in the United States, which represents a domestic political issue which as an Englishman is no concern of mine. On more general issues, however, I believe that my views coincide with most of the American medical profession, and also with most doctors in other nations of the Western World.

I have been witnessing for several years what I believe to be the progressive destruction of the excellence of the medical profession in Britain as a result of excessive control of the profession by the state, and it would appear that the British experience is revelant to other countries. I have no doubt that in the long run not only does the medical profession suffer from total nationalization of medical care, but the people themselves suffer also.

The AMA has often used events in the British Health Service as propaganda against Government intervention in medical care. In doing so it has nearly always painted a uniformly black picture which being both inaccurate and lacking in analytical profundity has in my opinion weakened its case in the United States and has caused much offense in Britain. I hope that I shall be able to show from a review of trends in Britain that although the state has a part to play in medical care the extent of its intervention should be strictly limited.

Before turning to the British National Health Service I wish to draw your attention to the fundamental difference between the National Health Service, as I shall call it, and the medical care provided by it. The failure to draw this distinction has caused endless confusion in discussion about the National Health Service on both sides of the Atlantic. The National Health Service is an organization for financing, administering and distributing medical care. It is not the medical care itself.

Let me illustrate. When I was a senior resident in internal medicine at St. Mary's Hospital in London an American was admitted to the ward suffering from a coronary thrombosis. He was particularly impressed with the excellence of the nursing care he received, which is considerably better than that usually available in American hospitals. He assumed, incorrectly, that this excellence was evidence of how good the National Health Service was. He did not know that the high quality of the British nursing profession had been built up from almost nothing in the 100 years that followed the pioneering efforts of Florence Nightingale, and the National Health Service took over this profession with its high standards and ideals—it did not create it. The National Health Service is not the nursing profession, it is not the doctors, it is not even the hospitals, nearly all of which were built long before it was thought of. It is only a financial and administrative organization, although the structure of the organization does, in the long run, affect the quality of medical care provided by it.

You will find that I am highly critical of the National Health Service because, in my view, it is damaging the health professions and the quality of medical care available to the people of Britain. Doubtless many of you will have heard, quite correctly, of the excellent care received by many people under the National Health Service, but before you assume that my analysis is inaccurate, once again let me remind you that this excellence which does exist may do so in spite of, and not because of, the National Health Service.

Medical care of all forms is provided in Britain through the health service which is operated by the state and was created in 1948 by the Labor government in power at the time. The state provides medical care free of direct charge to the entire population irrespective of income, thus relieving the individual of much of the financial hardship associated with illness. All hospital and specialist care are free, all the services of general practitioners are free, and there are only nominal charges of 30 cents for prescribed drugs, and small charges for dental treatment. The act of Parliament laid upon the Central Government the responsibility of providing these services itself, and to enable it to do so the private and city hospitals were nationalized, the state pays specialists a salary, and it pays general medical practitioners a modified form of salary. Although the health service is partly financed by compulsory insurance payments, nearly 80 percent of the cost has been covered by general taxation.

To make available to all the medical care they require, free of charge, is a very attractive proposition to the people, although a utopian intention, because what is required is largely a subjective concept. Certainly there was immense support from the general public and from the national press for a health service of this type at the time, and in many ways it has remained popular over the years. The climate of the times in Great Britain in 1946 when the National Health Service bill was passed by Parliament was favorable to extension of the activities of the state. Emerging from a world war which had lasted 6 years we had come to accept a degree of control of the individual by the state from which we have since moved away in almost all fields, except for health. In recent months, however, several of our economists have been questioning the basic arguments for nationalizing medicine, but even more important, signs of strain in the state service are now developing which suggest that it contains fundamental defects. There is a growing awareness that the wholesale nationalization of medical care 14 years ago was a mistake and the damage done may take a long time to repair.

The provision of free medical care does, of course, reduce the risk of financial ruin for the individual through illness, a highly desirable objective. But a system which provides it brings new problems. Although the patient does not pay directly for medical care at the time he consumes it, nurses, doctors, dentists, and other health workers still have to receive an income in return for the services they provide. These incomes are no longer derived from the people as patients paying fees or voluntary insurance premiums—they come from the people as taxpayers. The problem of paying directly for medical care as a patient is merely shifted to the problem of paying taxes—and taxes are no more popular than direct payments for medical care. Furthermore, if the taxes are entirely raised by the Central Government, then it, through the Department of the Treasury, tends to exercise direct control over the hospitals and the health professions.

Although the cost of the service to the taxpayer has worried both the public and the Government ever since it started, a new, more complex, and more important problem is developing—the quality of medical care available in the Service. So much attention has been devoted to keeping down costs that the effects on quality—indeed the importance of quality—have been inadequately perceived. But the quality of medical care received is vital for if it is not high the patient may lose his health, happiness, and sometimes his life. If a child dies during an appendectomy because the surgeon is inadequately trained, or the anesthetist is inexperienced, or the intravenous pentothal is defective, the fact that the operation is performed free of charge is little consolation to the bereaved parents. Direct payment for medical care does not by itself guarantee high quality, but neither does provision by the state.

Ever since the state service started successive governments have thus been faced with a dilemma and I fully appreciate the difficult position in which they are in. On the one hand the Government has attempted to provide medical care of the quality and quantity acceptable to the electorate; on the other hand they have tried to limit expenditure of tax funds as much as possible. Although the two objectives tend to be mutually exclusive, the issues are not of minor importance to the Government. The whole nation is intensely interested in the level of taxation, and in the effectiveness of its state-operated health service, almost the only channel through which it now obtains medical care—money and life interest us all a great deal. If the cost is too high or if the quality of medical care available is too low then a government could fall from power. Troubles in the health service strike at the very heart of political activity.

So far, as the most articulate public critics of nationalized medicine have leveled their attacks at high cost rather than low quality, the politicians and the health departments have naturally done likewise. We must not forget that the Government tends to do what the people want in a democracy, even though the wishes of the people may be harmful to themselves in the long run if their opinions have been based on inadequate information. Democracy itself can be no more than a facade if the people are not well informed. To lower public expenditure the Government can either increase the share of cost borne by the patient and private insurance, or cut down expenditure on the service itself. It has been considered politically inexpedient so far to raise substantially the cost to the patient, and little serious thought has been given to encouraging the expansion of private health in-

surance. Great efforts, however, have been directed to curtailing total expenditure on the service itself with a success which is not generally realized.

How has cost been kept down over the last 10 years or so? By efficiency in the use of material and human resources? Economy with efficiency have been the aims of the state authorities for 10 years and in principle they are highly desirable objectives. However, economy in practice often means cheapness and this carried too far tends to impair efficiency.

The easiest way to economize is to cut capital expenditure. Capital was the first casualty in the economy campaign in the hospitals. It should be recalled that one of the primary arguments in favor of nationalizing the hospitals in 1946 had been the view that capital expenditure on them under the old system before the war had been inadequate, and that after the damage and neglect of the war years only the state could afford the huge investment required to modernize them. Nevertheless, according to a Government-sponsored report on the cost of the health service, annual capital expenditure on the hospitals in the first 6 years after nationalization, at constant prices, was only one-third of that spent in the 1930's. The proportion of the total capital investment of the nation devoted to hospitals, already so low in 1949, fell substantially for 8 years and has only been rising since 1957. It was not until 1962, 14 years after the state monopoly was created, that detailed plans for a major rebuilding of the hospitals have been put forward. Because most of the capital which has been spent has gone toward patching and mending old buildings few entirely new hospitals have been completed since the end of the war, although another 20 or so are now under construction. To economize on capital in the hospitals, in which labor is the major item of cost, and in which much of the plant is already obsolete, is contrary to the principles of sound management. Much of the energy of doctors and nurses has, as a result, been wasted as they work in inefficient surroundings which have been perpetuated by an excessively narrow pursuit of economy.

A policy of stringency tends to lower the incomes of those who work in any organization dominated by this aim. For doctors in a nation where the state has a virtual monopoly in medical care, it becomes almost the only buyer of their services, because private practice is of necessity severely curtailed. Most people believe that governments spend their money raised by taxation very lavishly, but it should not be forgotten that the state is not always generous. The state has in fact used its immense power over doctors, nurses, and other health professions, to obtain their services inexpensively. These professions are particularly vulnerable when faced with a monopoly employer because they will not harm their patients by striking against their employer.

I shall not trouble you with the details of the prolonged struggles over earnings between the medical profession and the state. According to the English economist, D. S. Lees, in his recent book, "Health Through Choice," between 1950 and 1959 the real incomes of general medical practitioners fell by one-fifth while those of the community in general went up by about as much. Even with the much publicized increase in doctors' pay in 1960 they are still no better off than they were 10 years ago. This can be said of few other sections of the British working community and contrasts strongly with the trend of medical incomes in most other countries in the Western World.

The fall in the earnings of doctors in hospitals has been more complex. All are paid salaries and many grades of hospital doctors receive considerably lower real incomes today then they did in the early days of the National Health Service. Probably more important than the fall in real incomes of any particular grade, however, is the rapid expansion of medical appointments with low salaries compared with expansion of those with high salaries. This was not so in the first 4 years of the Service, but between 1953 and 1960 the number of senior, relatively well-paid specialists increased by 8 percent while the number of residents and interns increased by 21 percent. In the case of general surgery in the last 9 years the number of senior specialists has actually been reduced. The result has been that surgeons have remained in junior posts as residents on low pay for many years—indeed often till middle age. For the purpose of this paper I define middle age as the age of 40. During the long years as a resident the surgeons have often been undertaking, according to a recent Government-sponsored report, the same work as a consultant. But the salary of a resident is only about half that of a consultant. Increasingly the demand for doctors in the nationalized hospitals has been for those who are willing to provide their services for low prices.

Is the policy of economy in doctors' earnings having any effect on the quality of medical care available in the nationalized hospitals? Many young doctors are showing themselves unwilling to accept the prices offered for their services by the state and they dislike the rigidity, and the impairment of their professional freedom, in the system in which they work. The rigidity and restriction of their freedom does, I believe, follow necessarily upon finance and responsibility being vested in the hands of central government. With the state virtually a monopoly employer of doctors they must either accept the terms offered by the state, or leave the country, or leave their profession. Large numbers have left the country. In the 10 years of the 1930's, that is, before nationalization, an annual average of 27 doctors with British degrees registered for practice in Australia, according to official Australian sources. But in the last 5 years the annual rate has been 225. The 1959 figure of 256 in the 1 year was almost equal to the total for the entire 10 years of the 1930's. In the last 8 years an average of over 200 British doctors emigrated to Canada each year according to the Canadian Department of Immigration. In the 1 year, 1960, more doctors (162) trained in England and Ireland passed their State boards examination in the United States than did in the whole 10 years of the 1930's. In short, in the last 10 years the number of British doctors going to Australia and North America has been well over five times the rate prevailing in the 1930's, is over five times the general rate of emigration, and the total of 600 a year is equivalent to one-third of the annual output of the British medical schools. The reasons for their departure is, in my opinion, that in Australia and North America the professional freedom of doctors is greater, the opportunity to practice medicine well, particularly in general practice, is greater, and the financial rewards are more appropriate to the years of study, the long hours of work, and the heavy responsibility which doctors carry.

To sustain the large loss of doctors by emigration there has not been a correspondingly high output from the British medical schools. The number of medical students in training has fallen continuously from 14,200 in 1950 to 12,300 in 1959. In spite of the steady fall in the early years of the 1950's a committee recommended a further 10 percent cut in the intake of students in 1957. As a result the number of students in training is now no greater than it was before World War II in spite of a rise in population and in spite of the increased complexity in medical practice which has characterized the last quarter of a century.

To aggravate the shortage of doctors in Britain due to high emigration and low recruitment, the rate of retirement of elderly doctors is now rising steeply. This reflects the uneven age distribution of British doctors—an unusually large number of men entered the medical profession after the end of the First World War in 1918 and these are now reaching retiring age. In the next 5 years about 60 percent more doctors will reach the age of 65 as did in the last 5 years.

As the supply of doctors with British degrees has been falling the hospitals have relied increasingly on doctors from overseas to take temporary posts. By 1960, 41 percent of all junior hospital posts in England were filled by doctors trained outside the British Isles (nearly 4,000 doctors from overseas), and the proportion is rising rapidly. Most come from India and Pakistan. The total number is now equivalent to well over 2 years of output of the medical schools. In the region around Sheffield, an area in the north of England, 26 of the 74 hospitals have no doctors at all below the grade of consultant (that is under the age of about 40) who were trained in Britain. Increasingly the medical staff of the hospitals is a rapidly shifting labor force recruited from abroad, most of which does not intend to settle in Britain. These young doctors from overseas arrive with little experience, but once they have become highly competent they return to their own lands.

The effect on the quality of medical care in hospitals was described by several of the speakers in the now famous debate in the House of Lords on the shortage of doctors on November 29 last. There is no system whereby the hospitals are made to keep within specified standards for the training of postgraduate doctors from overseas. Large numbers of these, instead of receiving training and experience under supervision at the postgraduate institutes for which Britain is famous, are being used for what in economic terms, might be described as inexpensive medical labor.

Difficulty in language is one of the major problems because of the short time many remain in Britain. Not only do some of the doctors have the greatest difficulty in communicating with their patients, they also have difficulty in talking with other doctors. The language difficulties of interns from abroad has been a problem in U.S. hospitals, but the American Hospital Association has imposed a compulsory linguistic test which now insures a knowledge of English before a hospital appointment is made. In Britain there is at present no such test though doubtless one will soon be imposed.

I have spoken a good deal about how the nationalization of medicine has affected the earnings and conditions of work of the doctors. But again how has it affected the patient, without whom the doctor has no function? Up until the present the patients have been cared for satisfactorily, particularly those who have been acutely or severely ill. Now there are signs that a crisis has been reached, particularly in the emergency departments of the hospitals, and in the maternity services. This has been extensively documented recently in Britain in official and nonofficial publications, and doubtless many of you will have read of it.

I have concentrated on troubles in the supply of doctors because they are the most essential of the skilled personnel providing medical care. If the supply fails then there is real trouble ahead and I should remind you that the future supply of doctors in your country is by no means assured. However, the effects of the National Health Service are also beginning to show in the nursing profession and in other health professions with unhappy consequences for the patients. The cumbrous administrative structure of the health service, described by our present Minister of Health as "lumbering Leviathan,"

often impedes the efforts of the individual in it to work well. I have stated on many occasions in my publications that the undoubted success of much of the state health service up till the present in providing medical care of high quality has been due to the abundant stock of human, moral, and material capital which it inherited in 1948. British doctors, and British nurses have for long had a worldwide reputation for excellence. Few will doubt that the material capital—that is the hospital buildings and equipment—has been allowed to run down. It is now becoming apparent that the human and moral capital of the health professions has also been consumed but only partially replenished. Until recently there has been no clear evidence of declining quality of medical care, but this is the problem which is now emerging in nationalized medicine which is as yet only imperfectly appreciated, but which will dominate the medical care field in Britain in the 1960's. The National Health Service, which started with such high hopes and great expectations, is now moving into a phase which has many of the characteristics of high tragedy.

I think there are some lessons of general interest to be learned from these recent occurrences. It has been an error to assume that the major problem in medical care is cost. If the burden of payment is removed from the patient then all will be well was the oversimplified approach of the 1940's. This is just not true. Of equal or greater importance is quality of medical care available. This is a complex concept, and somewhat intangible, just as the concepts of freedom and patriotism are, but their complexity and their intangibility makes them no less important.

It would be absurd to suggest that cost is of no importance. But surely the objectives one wishes to attain in any form of health system is, first, to insure that there is available in a nation medical care of high quality, second, to insure that no individual shall be unable to obtain medical care for financial reasons, and, third, to insure that he shall not be financially ruined because of medical expenses alone. In the United States, possibly in no country, have these objectives been achieved. But they can be approached by a great variety of means, and it was certainly not necessary to nationalize all the medical facilities and personnel, and provide all medical services free, as happened in 1948. This achieves the last two objectives, but impairs the achievement of the first. The state has an important part to play—in your country for instance the treatment of mental disease and of tuberculosis and many other health problems have for long been a function of public authorities—but the individual also has a part to play. It is the preservation of a reasonable balance between the right and duties of the state and of the individual which is the hallmark of a free but responsible society. In my country, this delicate balance has been disturbed in the field of health but we shall be making efforts to restore it. The realization that some change is needed is just beginning to dawn.

In the United States also the winds of change are blowing strongly. With an aging population the problem of financing medical care for the elderly becomes more important, and the citizens of a prosperous nation do not wish to be exposed to the risk of reduction to penury by ill health. There is no easy solution, there is no complete solution, but do not fall into the error of assuming that the state, by usurping the responsibilities of the individual, will provide all the answers.

You may think from what I have said that medicine in Britain is in trouble. Indeed this was precisely what was said by the British Medical Journal in its leading article commenting on the now famous debate in the House of Lords last November. But to assume that this is all there is to be said about the situation would be erroneous. The British may be slow to change their minds but once they realize that change is necessary they are well able to bring it about. Furthermore, it is when they see that a situation is particularly disastrous that they are at their best.

You may be wondering why I should be here to tell you of these troubles in my own country. It is only in part because I hope you will avoid some of the errors which we have made. It is also because I do not wish you to misunderstand what is happening in Britain as you read reports of further events in the health service in the years ahead. My three strongest emotions are love of my country, of my family, and respect for my profession, and I do not wish you to underestimate the potentialities of my country to remedy an unfortunate situation.

I can only remember dimly as a child the episode in 1938 now known as Munich. At that time the vast majority of my fellow countrymen was behind Mr. Chamberlain, the Prime Minister, in his policy of peace—at almost any price. We now accept this was a mistake. Few British thought at the time, that there would be war, and none wanted it. But as events unfolded in the early months of 1939, as we perceived the abyss toward which we were heading, then a great change came over the people and we moved toward war in September as if we had always known that it was coming. It was, however, only after the shattering defeat of our armies in France in May 1940, that we really showed our worth. All the rest of the world, all informed opinion in the United States, wrote us off as finished. The Germans even demobilized some of their fighting divisions. Yet in England we took it entirely for granted that we would continue to fight alone against Nazi Germany. This we did for more than a year until the United States came to our assistance and together we marched forward to final victory.

So if you think that the British will never change their nationalized health service because they like the state to provide free medical care for all, and if you think that because medicine is in trouble we shall not remedy it, then I suggest that you think again. When my fellow countrymen come to realize from the course of events that they have taken a wrong turning, changes will be made, and if we are in real trouble then we will get out of it. After all—we have done so before.

Mr. MILLER. Mr. President, I think it well to point out that some of the benefits which are claimed for the British National Health Service are not those that came about as a result of that program. They were those which were already in existence at the time the program was started.

Some people talk about their friends in Great Britain thinking that the medical care which they receive under the National Health Service is satisfactory. Then they attempt to justify the program which is being presented to Congress on the basis of the fact that things are satisfactory over in Great Britain.

The only reason why they have been as satisfactory as they have been thus far has been the fact that these are benefits which have carried over from the system that existed prior to the National Health Service. Since the National Health Service has gone into effect, according to those who know, the medical program furnished to the people of Great Britain has deteriorated. They now have a situation whereby they cannot get enough persons to go to medical schools for training as doctors. The level of medical students today is about the same as it was back in the 1930's, even though the population has been increasing steadily. They have been bringing doctors in from overseas. This is not a good situation.

Then, of course, there is the problem of the doctor-patient relationship, which is a precious and important heritage in the medical profession of the United States.

Mr. President, the situation with respect to the number of medical students in British medical schools is something that has given much concern to members of the British Government. One reason why the situation has arisen has been that under the British National Health Service the Government has what most people would consider to be socialized medicine. In my arguments against the Anderson-Javits amendment or the Kennedy medicare program, I have refrained intentionally from using the phrase "socialized medicine." To be fair about it, I think it can be pointed out that there could be a great difference between the British National Health Service as now constituted and the situation which would exist in the United States if the program of the Anderson-Javits amendment were implemented. However, that does not make it right. Whether the Anderson-Javits program is socialized medicine or is not socialized medicine is not, in my judgment, the question.

The points, as I have already emphasized, are first, that under the Anderson-Javits amendment we would drain off the benefits from those who need them, dilute those benefits, and tax the people for benefits for those who can afford them. I think that is unfair; and second, the social security system would be used to finance the program although it is already in a very shaky financial condition. It will not get any better, and it will get much worse if we keep putting generations by increasing the coverage more burdens on the backs of future and the benefits under this program. I think it would behoove the people who are so eager to have the social security system embrace all of the proposed new coverages and benefits to watch out lest the social security system become bankrupt some day, or lest the coverage and the benefits be reduced.

When future generations come into the heritage we are leaving them and begin to run Congress, I wonder whether they will be satisfied with the heritage the present generation will have left to them. They could cut back the benefits, scrap the program, or have an entirely new program financed out of general taxation, any of which would be fairer than what we will be passing on to them by the actions we have been taking in the last several years.

I do not know whether a majority of the people in my State of Iowa favor the Anderson-Javits amendment or not. On the basis of the correspondence I have received, my guess is that a sub-

stantial majority of them are opposed to it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Hospital Care for Older People," published in Wallaces Farmer for February 17, 1962.

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

HOSPITAL CARE FOR OLDER PEOPLE—IOWA FARM FOLKS SPLIT ON LINKING HOSPITAL CARE TO SOCIAL SECURITY

Should the social security tax be raised to pay hospital bills for folks 65 or over? This is one of the projects the present Congress is arguing over.

What you pay the doctor is not an issue here. If the bill is passed, it would only help on hospital expenses. Patients would use Blue Shield or private insurance policies to help with medical expenses.

About half of Iowa's farm families carry some kind of hospital insurance. What older folks sometimes worry about is the prospect of a serious illness that would not be covered by limited hospital insurance. And the ones that have no insurance are naturally still more concerned over the health hazards of advancing years.

The Wallace's Farmer poll asked Iowa farm people what they think about the social security proposal. Those who had heard about it were asked:

"President Kennedy is urging that a hospital insurance plan be added to the social security program. The plan would help pay hospital costs for men and women when they reach 65. Social security payments would be increased to cover cost of the plan. On an income of $3,000 a year, the added social security payment would be $11.25 a year. * * * Do you approve or disapprove this proposal?" Here are the results:

[Percent]

	Men	Women	Total
Approve	44	39	41
Disapprove	39	39	39
Undecided	17	22	20

Last year's bill provided for hospital care up to 90 days. The patient would pay the first $10 of hospital costs per day for the first 10 days. After that (up to 81 days for a single illness), the social security insurance would pay all the hospital bills.

Cost of nursing home service was also covered, up to 180 days.

The new 1962 bill hasn't been worked out in detail yet. Costs may differ a little, but the betting is that the benefits will be about the same.

Older men, as you might expect, liked the plan better than younger ones:

[Percent]

	24 to 34 years	35 to 49 years	50 to 64 years
Approve	28	44	57
Disapprove	44	42	32
Undecided	28	14	11

Farmers with gross incomes of less than $5,000 a year liked the plan better than did those with more money. But men with gross incomes of $10,000 or more still gave the bill an approving vote of 42 percent.

Farm women voted much as the men did except that very few young women (21–34 years) were undecided. They divided almost evenly for and against the plan.

One young farm woman in Buena Vista County wondered if the plan would hold together until she was 65. She said: "I'll have to pay for it but I sure want some security that my hospital bills will actually be paid when I'm 65."

The mother of a young farmer in Taylor County said emphatically: "No. Take my son. He doesn't get as big an income as his dad and he still has to pay more for social security than he can afford."

There was a family split on a farm in Wright County. The man, now getting social security payments, approved the hospital plan. But his wife said:

"I'm over 65 but I disagree. I think it's putting an awful burden on the young people. If we can afford to pay for our own, we should."

A middle-aged farmowner in Webster County said: "I'd approve hospital insurance for old people on social security. Goodness knows they can't afford it at present."

A young man in Greene County said: "I just wonder how much hospital insurance you can really get for that money. Maybe they'll have to increase the tax more."

Blue Cross, Blue Shield, and other private organizations are moving to provide help for older people without bringing in social security. Blue Cross, for instance, is talking of a plan whereby folks of 65 or over would pay $10 or $12 a month for hospital insurance providing 60 days of hospital care a year.

Blue Shield suggests a $3 a month fee for older people to cover medical expenses. This would be open to couples with incomes below $4,000 a year.

In each case, special provisions of some kind would be made to help those with incomes so low that they could not meet these monthly charges for Blue Cross and Blue Shield.

Wallace's Farmer will report details on these and other plans as they develop. The new social security bill will assume definite form soon and farmers will know in more detail what the administration proposes. Until then, many farmers will be like the man in Jackson County, Iowa, who said: "I would need to know more before I vote yes or no."

Mr. MILLER. Mr. President, the article contains the results of a poll taken among Iowa farm people. It is not a complete coverage, but it is a poll of a type which quite often adequately represents a good cross section of the thinking of Iowa farm people. It points out that there is an almost even split between those who approve and those who disapprove with about one-fifth of those polled being undecided. I suggest that on the basis of the way the questions were asked, the people who voted in the poll, both for and against the proposal, did not have a good background of the facts behind the questions which were asked. I am well satisfied that if they knew the facts, if they knew that the program would pay benefits to those who can afford them as well as to those who are poor and cannot afford them, they would not have voted for the program.

In fact, my mail is running about 10 to 1 against this program. I am trying to weed out of my mail those letters and other communications which are prompted by pressure group action. I am trying to arrange the correspondence on the basis of spontaneous opinion. To date it is almost unanimously opposed to the proposed program, although many persons would favor some kind of program to cover catastrophic situations.

The State of Iowa, which I have the honor to represent, has passed an enabling law with respect to the Kerr-Mills Act. Unfortunately, the legislature was not able to appropriate any money to implement that act. What will be the action on this subject in the next session of the legislature is difficult to forecast; but I assume, on the basis of results in other States, and if Congress does not go off the deep end and pass the type of program that is envisaged by the Anderson-Javits amendment, that not only the Iowa Legislature, but also a great many other legislatures, will find a way to pass a reasonable appropriation to implement the Kerr-Mills law, so that catastrophic situations can be covered.

Mr. President, the problems of my State in connection with the consideration of this subject in the last session of the legislature are well set forth in an article entitled "Should Iowa Aid 'Medically Needy'?" published in the Waterloo Daily Courier of February 28, 1961. 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:

SHOULD IOWA AID "MEDICALLY NEEDY"?—ASSEMBLY PONDERS FEDERAL AID PLAN

(By Dave Dentan)

On the last legislative day before the recess, the House Committee on Public Health filed a bill in Des Moines to authorize participation in the Federal matching program for medical aid to those past 65 who are not indigent but are living on small incomes.

The bill is primarily an enabling act, since it carries no appropriation and does not establish the minimum of income and savings which would make a citizen eligible for the aid.

The program involved is the "medical aid for the aged" (MAA) authorized by the Kerr-Mills bill which passed the last session of Congress. Six States already have programs in operation, using Federal grants which pay from 50 to 60 percent of the cost.

The bill filed in the Iowa House would make the State board of social welfare and county welfare boards the administrators of the program, subject to advice from a council representing various professional associations, such as the Iowa State Medical Society and the Iowa Hospital Association.

All Iowa residents over age 65, with one exception, would be eligible for the aid, according to the bill, if such a resident "has not sufficient income or other resources of his own, or available to him to provide himself with such needed medical care and services."

The one exception is that the beneficiary under this program could not be a recipient of old-age assistance. Iowa already provides medical (doctor's fees and outpatient laboratory services) care for those receiving old-age assistance.

This care has been costing on the average $7.48 a month per recipient. This could be increased to $12 a month under another provision of the Kerr-Mills bill if Iowa wants additional Federal matching funds for this purpose.

Some officials also argue that if hospital and surgical care is to be given to the "medically needy" in their home towns, the same benefits should be given to the "medically indigent" (the recipients of old-age assistance). This latter group receives hospital and surgical care, except for emergencies, at University Hospitals, Iowa City.

The MAA program for the "medically needy" is intended to aid those aged who,

after a lifetime of hard work and rearing a family, are able to support themselves in their old age except for unusual medical care—particularly the lengthy and costly catastrophic illness.

A program for a large part of this group would be needed even if the program of President Kennedy for compulsory hospital insurance under the social security program were adopted by Congress this year.

Iowa has approximately 325,000 residents past age 65, of which 35,000 are receiving old-age assistance and 215,000 are receiving retirement benefits under the social security program.

This leaves an estimated 75,000 who are receiving neither. About 65 percent of these, if they are typical of the older group generally, would have incomes of less than $1,500 a year.

Various estimates may be obtained of the probable need for the individual in any group ruled eligible for the MAA program. The Health Insurance Institute lists $177 as the average actual yearly expenditure for medical care for those 65 and over.

Medical care standards would improve, however, if more financial resources were made available. On the other hand, some deductible feature might be incorporated in the program under which the individual would contribute the first $100 to $500 of cost of an illness, perhaps depending on income.

On a different basis, the Iowa Department of Social Welfare estimates that some 42,403 Iowans (including many receiving social security retirement) would apply for aid under an MAA program and might need an average of $250 each. (This would be the actually sick group, so the average would be higher than for all old persons.)

If this estimate were used, the program would cost some $10,600,750 a year, of which the Federal Government would pay 58.48 percent.

A more moderate and limited program could be devised. There are about 178,709 persons past age 70 in Iowa who are not receiving old-age assistance. According to a recent study of the elderly, 30 percent would have no resources for an emergency. If the average assistance were $100 for each of these 53,613 medically needy persons, the total cost would be $5,361,300 a year, of which the Federal Government would pay 58.48 percent.

The figures for this calculation were furnished by R. J. Quackenbush, executive secretary of the Iowa Nursing Home Association.

Governor Erbe in his budget message suggested that surpluses in the fund accumulated to pay the Korean bonus could be used to finance a beginning on the program. Such use would hinge on a determination, either by the attorney general or the courts, that the money could be legally used.

Some legislators indicate a desire to delay enactment of the MAA program until Congress determines what action it will take on the Kennedy hospitalization program under social security. But others point out that some program will be needed for needy Iowans not receiving social security benefits and that the proportion of Iowans in this category is considerably higher than the national average.

In any case, the bill introduced in the House is written in such broad terms that it could be used (1) to let the board of social welfare prepare a program based on the amount of money available or (2) permit the attachment of amendments to define more precisely the rules of eligibility.

The Journal of the Iowa State Medical Society declares that a State appropriation of at least $2,500,000 is needed to get the program underway.

Mr. MILLER. Mr. President, in the Des Moines Register of May 22 there appeared an excellent article entitled "Doctors Say It Does Not Meet Needs"—referring to President Kennedy's medicare program. I ask unanimous consent that the article be printed at this point in the RECORD, in connection with my remarks.

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

DOCTORS SAY IT DOES NOT MEET NEEDS—SEE A STEP TOWARD BRITISH SYSTEM

NEW YORK, N.Y.—Leaders of the American Medical Association, Monday, denounced President Kennedy's medical care for the aged plan as a cruel hoax aimed at establishing welfare state medicine for everyone.

"Don't mistake it," an association official declared in a paid, national televised reply to Mr. Kennedy's Sunday speech here.

"England's nationalized medical program is the kind of thing they have in mind for us eventually."

Mr. Kennedy urged passage of the King-Anderson bill, commonly known as medicare. It would pay some hospital and other medical bills through social service taxes. Doctor bills generally would not be covered.

The AMA representatives said the public was in danger of being blitzed, brainwashed and bandwagoned into swallowing a plan that would disrupt health services and turn individual patients into impersonal numbers.

ELEMENT OF NEED

The plan would cover millions who don't need it and ignore millions of others who do, said Dr. Edward R. Annis of Miami, Fla., a surgeon who is chairman of the AMA national speakers bureau. He added:

"Our fees are not involved. Our practice of quality medicine is. Your health is."

In an impassioned plea, he urged viewers to consult the "one they know and trust—your doctor" about what the Kennedy plan would do to American medicine.

"There are only a few things which touch so close to God and the relationship between a doctor and his patient is one of them," he said, charging that the Kennedy plan seeks to undermine it.

CROWDLESS GARDEN

The doctors' reply to Kennedy was filmed in Madison Square Garden, the same place where Mr. Kennedy Sunday addressed a cheering crowd.

But instead of a crowd scene for a backdrop, the AMA spokesmen appeared in an empty, silent arena, its vast expanse littered with paper, broken balloons and decorations left from the Kennedy rally.

An association spokesman estimated cost of the show, carried on paid time over the National Broadcasting Co. network, at $75,000. The group had asked for equal time to reply to Mr. Kennedy's half hour address, but was turned down. Mr. Kennedy's speech was carried free.

AMERICAN SYSTEM

Dr. Leonard D. Larson of Bismarck, N. Dak., association president, spoke briefly. He said the administration's program would deprive older people of "the American system of medicine, based upon the private doctor treating the private patient."

In the last 20 years alone, he said, this system has "added 10 years to the life of every American."

Dr. Larson said the King-Anderson bill would not cover 3 million over-65 people not eligible for social security benefits, and thus probably most in need of medical aid.

At one point, Dr. Annis held up a copy of the King-Anderson bill and said: "This bill is a cruel hoax and a delusion."

ADDED TAX

He said it would add as much as 17 percent to the working American's payroll tax to give medical care to "the rich, the well-to-do and the comfortable, as well as those of low income.

"Whether they need it or not; whether they want it or not—they'd be in," he said.

"Now, there is some more interesting reading in here for those on social security who genuinely need medical aid. Just what would you get under King-Anderson? You can read it as we did. For a hospital room containing one, two, or three other people—it would still cost you $10 a day for the first 9 days of your hospitalization. That's $90.

"After you left the hospital or nursing home, you wouldn't be eligible for further hospital benefits for at least 3 months. Don't have a relapse or get sick again. To get into the hospital you'd apply in writing and get the certification of a doctor.

PAY DOCTOR

"You'd have to pay for your doctor, and you'd have to pay for a private duty nurse if needed. And you can also read if your illness required hospitalization for more than 30 days, it'd have to be passed on by a special committee who'd have to consider a lot of other people too, don't you know. After all, the Government has to treat everyone fair and equal, don't you know.

"They know all about how to make things exactly alike—like human illnesses. Like a broken toe * * * and cancer. A bed is a bed. Thirty days is thirty days. Your doctor won't decide. The committee will decide—when it meets.

"Do you know that you'd have to pay the first $20 of each diagnostic study you'd get at the hospital as an outpatient?

"Do you know that the only drugs that would be paid for are those you'd get at the hospital or nursing home—and that many important drugs used today do not appear on the list approved for hospitals and that a prescription made out by your doctor in his office or your home is not covered by the King-Anderson bill? Do you know that in order to get into a nursing home for your maximum of 150 units of service—you'd have to go to the hospital first?

DOCTOR BILLS

"Maybe some of you are still thinking in the back of your heads, what are the real reasons the doctors are so dead set against this King-Anderson bill? You may believe that it must have something to do with doctors' fees * * * our income.

"But, do you know what? The King-Anderson bill doesn't even cover most private doctor fees. Doctors would probably make more money, not less, under King-Anderson * * *. Anyone knows there is more money in mass production.

"But that is beside the point. The American system of medicine is a system of quality medicine * * * not mass production medicine. It is a system of private medicine, practiced by private doctors treating private patients, free to make decisions based on the patient's specific medical needs—and nothing else."

KERR-MILLS ACT

Dr. Annis claimed that the Kerr-Mills medical aid for the aged law, passed by Congress in 1961, provided means for caring for the elderly who need financial assistance in meeting medical costs.

The Kerr-Mills law, he said, "is a desirable supplement" to "one of the greatest social advances of our generation—the spectacular growth of private, voluntary health insurance systems to which millions of Americans already belong."

MEANS TEST

In reply to charges that obtaining aid under the Kerr-Mills plan requires submitting to a "means test" that is "degrading and undignified," Dr. Annis said: "When you apply for the low rent benefit of public housing—don't you have to prove that your

income is below a certain level? This is a means test. A test of your means.

"And when you apply for social security, aren't you asked to prove that your wage earnings are below a certain amount? Is this degrading or undignified? Well, that's a means test, isn't it?—a means test for social security itself.

"A means test is a desirable protection for those who are really needy, as against those who are merely greedy."

The King-Anderson bill would not repeal the Kerr-Mills Act. If the King-Anderson bill were passed, the Kerr-Mills Act could continue to provide medical care for needy persons not covered by social security, in those States that fully implemented the act. (Iowa has passed an enabling act, but has not provided any money to put it into operation.)

IOWA HOSPITALS OPPOSE MEDICARE

The Iowa Hospital Association has reaffirmed its stand against any plan to provide medical care for the aged under the Federal social security program.

The association in 1960 voted to oppose the plan and reaffirmed this stand at a meeting of the board of trustees and officers last Friday in Spirit Lake.

An association statement, made public Monday said:

"We are convinced that the solution to the medical-care-for-the-aged problem can be found within the framework of this country's existing system of private voluntary health care."

Mr. MILLER. Mr. President, in the March 1961 issue of the Iowa State Medical Society Journal appeared an interesting and timely article entitled "Colorado's Plan for Administering Medical Aid for the Aged." I ask unanimous consent that the article be printed at this point in the RECORD in connection with my remarks.

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

COLORADO'S PLAN FOR ADMINISTERING MEDICAL AID FOR THE AGED

In Colorado, a medical service plan for elderly people with little or no income has been administered throughout the past 3 years by Blue Cross and Blue Shield, under contract with the State welfare department. The arrangement—virtually identical with that which is being proposed by several of the groups that will furnish services under the MAA program in Iowa—meets with the enthusiastic approval of all the parties involved.

EVERYONE IS PLEASED WITH THE ADMINISTRATION

As a part of a study that a team of investigators made last year for the Health Information Foundation, an instrumentality of the commercial (non-Blue Cross-Blue Shield) health insurance companies,[1] about 100 participants in the Colorado program—physicians, hospital administrators, welfare officials, pensioners, and Blue Cross-Blue Shield executives—were interviewed individually. Every single one of them declared that the administrative arrangement has worked well.

"With Blue Cross administering the program," a county welfare director explained, "we have no problems with hospitals—no difficulty about admissions and no time-consuming conferences about charges and the like."

An orthopedic surgeon stated: "Physicians' acceptance of this program was largely due to its use of Blue Shield. If the same program had been set up through a State bureau, we would have had a completely different reaction to it."

A State welfare official declared: "By using the existing channels—Blue Cross and Blue Shield—we avoided any conflict with physicians and hospitals and held down our paperwork, too."

A hospital administrator observed: "Existing Blue Cross and Blue Shield controls have held abuses to a minimum in this program—far less than would be found in a Government program."

THE SCOPE OF THE PROGRAM

Before we present an outline of the administrative setup, a brief sketch of Colorado's payments and service benefits is in order. In September 1937, every indigent beyond 60 years of age, in that State, began receiving a pension. The amount has been raised several times since then, and is now $107 per month, less other income. On January 20, 1957, the Colorado medical care plan for pensioners went into effect, and an amendment to the State constitution decreed that $10 million per year—no more and no less—should be budgeted for its support. All pensioners are eligible for its benefits.

Originally, patients were allowed 30 days of hospitalization per admission, and readmission might succeed discharge without the patient's stepping outside the door and reentering it. Last fall, in what may have been only the first in a series of curtailments, the limit was reduced to 21 days per admission, and unless the attending physician requests an extension, a period of 30 days must elapse between discharge and readmission. Emergencies are given special consideration, thus preventing hardship, and it is thought that the change in rules is helping to stem overutilization.

Pensioners entering nursing homes agree to pay the proprietors $100 per month, retaining for themselves just enough money to pay for their clothing and incidentals. The State makes direct payments to the nursing homes in varying amounts, depending upon the facilities and services that the institution is able to provide, and upon the type of care that the particular patient must have. These sums may not exceed $95, and at present average $67 per patient per month. From the pensioner's relatives, the proprietor may collect additional amounts, provided that the total from all sources does not exceed $250 per month for any particular patient.

Pensioners are provided surgery and inpatient medical care much as they would be if they held Blue Shield service contracts. Those in nursing homes are provided two doctor's calls per month, and as many as two more when they are acutely ill. Those who live at home are entitled to a noncumulative, two office or home calls per quarter at State expense. Consultants' and surgical assistants' fees are covered, as in Blue Shield contracts.

Prescription drugs, except cortisone and its compounds, are furnished to patients at State expense, but dietary supplements, household remedies, and personal care items are not. In many instances, because Colorado has counties without hospitals and even without doctors, its elderly people must travel long distances to obtain health care. In such cases, the plan covers transportation.

THE FUND'S "DEFICIT" IS A BOOKKEEPING FICTION

The pensioners' medical care plan in Colorado is proving more costly than was anticipated, and as has already been mentioned, curtailments of benefits have been undertaken in an effort to curb overutilization. The annual budget for the fund was permanently set at $10 million 3 years ago, and expenditures over that amount are technically "deficits" that Federal grants under the provisions of the Kerr-Mills Act cannot formally erase. But when, by dipping into general funds, Colorado spends Kerr-Mills money for its eldercare program, during this and ensuing years, only the most rigid purist can say that it is spending improperly.

ADMINISTRATION HAS A MINIMUM OF COMPLICATIONS

Blue Cross and Blue Shield began administering the Colorado hospital-care and physician-service arrangements on February 1, 1958, less than a month after the inauguration of the medical care plan, and they have continued doing so ever since. Payments for nursing home care and for transportation of patients are made directly to the vendors by the welfare department. Drugs are purchased direct from retail pharmacies, and claims from druggists are audited by a committee of independent pharmacists.

A medical advisory committee containing representatives of the State medical society, the osteopathic association, the pharmacal association, the hospital association, the dental association, the State department of health, the State association of county commissioners, the National Annuity League, the State chamber of commerce, the League of Women Voters, and the county welfare directors' association was set up by the State welfare department to guide it in implementing and perfecting the program.

Blue Cross and Blue Shield were selected to administer the bulk of the old-age pensioners' medical care program partly because they already had the machines and personnel to do the job. They could carry out the details of the program for less money than the State welfare department could do the work in its own offices. And just as importantly, less paperwork would devolve upon the suppliers of services.

Each of the eligibles receives a card resembling a Blue Cross-Blue Shield identification, and he presents it to his doctor when he seeks medical care outside the hospital, and presents it at the hospital when his doctor has requested his admission there. The hospital's paperwork is limited to (1) confirming the patient's eligibility, since despite the card, the patient may no longer be entitled to service; (2) billing Blue Cross when the patient has been discharged; and (3) notifying the local welfare office by post card when the patient has left the institution. Normally, the physician whose patient has been hospitalized has only one form to complete—a standard statement for services rendered, which he sends to Blue Shield. If the patient needs an extension of his hospitalization, the doctor must fill in another form, which goes to the director of medical services at the State welfare department. The doctor must send individual billings to Blue Shield for his visits to nursing-home pensioners and for visits to or from pensioners who live at home.

Blue Cross and Blue Shield must keep their lists of eligibles current, and must see to it that the billings that are presented to them are for covered services and that their amounts conform with the fee schedules that have been negotiated between the suppliers and the welfare department. They pay the hospitals and doctors, and bill the welfare department, adding their administrative fees to the sums that they have paid out, and attaching an IBM card for each pensioner-patient and a list of all disbursements.

The State welfare department determines the financial eligibility of each elderly applicant, passes upon requests for extensions of hospitalization and for readmission within 30 days after discharge, provides the nursing home, drug, and transportation parts of the

[1] Reich, William T., and Anderson, O. W.: Colorado's Medical Care Program for the Aged, Health Information Perspectives No. a2, Health Information Foundation, 420 Lexington Avenue, New York City 17, 1960.

program, and reimburses Blue Cross and Blue Shield.

CONCLUSION

The Colorado State Department of Welfare retains ultimate responsibility for its pensioners' medical care program, and its management contracts with Blue Cross and Blue Shield would not prevent it from imposing new controls, if such seemed desirable.

Since Blue Cross-Blue Shield administration has saved money, lessened paperwork and promoted good relations between the welfare department and the suppliers of health services in Colorado, it is probable that a similar arrangement would work advantageously in Iowa.

Mr. MILLER. Finally, Mr. President, I wish to point out that a study of the frequency of hospital admissions of major and minor economic importance in the old and the young was conducted by Dr. J. Robert Browning, of Plymouth, Mass. The study represents a compilation of data by the staff of the records room and the business office of the Jordan Hospital, in Plymouth, Mass. I believe the conclusions of the study merit the attention of the Senate; and they are as follows:

First. Catastrophic illness occurs in significant numbers in both young people and old people.

Second. Most periods of hospitalization are of minor economic importance, regardless of age group.

Third. True need for aid is related to economic severity of illness, rather than age.

Fourth. Further data analysis in a similar manner is needed from other areas of the country.

Fifth. If confirmatory data is obtained, a reappraisal of the approach to the solution of current medical problems is needed.

Mr. President, let me say, in conclusion, that I do not question the motives or the desire for a better society which prompt those who have submitted this amendment but I think it is a waste of the time of the Senate, for it is common knowledge that if the amendment is adopted by the Senate, it will not be adopted by the House. As recently as last week, we heard arguments to the effect that we should not take action on bills or amendments which will not be acted on by the House. Yet we are consuming many days of valuable time of the Senate in working on a measure which will not be dealt with by the House. I think that is most unfortunate.

However, since it has been decided that this matter will be brought to a head in the Senate, I wish to say that, since this measure will not be passed by both Houses at this session of Congress, regardless of predictions by some who like to indulge in wishful thinking, I desire to have it clearly understood that one benefit will come from this debate—namely, the American people will receive a full disclosure of the arguments in connection with this problem.

I hope that what I have said this afternoon will assist in formulating public interest along the right lines in connection with this most important problem.

The PRESIDING OFFICER. The time available to the Senator from Iowa has expired.

Mr. MILLER. Mr. President, I yield the floor.

The PRESIDING OFFICER. Does the Senator from Iowa withdraw his amendment?

Mr. MILLER. I do.

The PRESIDING OFFICER. The amendment of the Senator from Iowa has been withdrawn.

Mr. JAVITS. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Is the pending question on agreeing to the Anderson amendments to the bill?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Mr. President, I call up my amendment which is identified as "6–29–62–B." I offer the amendment on behalf of myself, the Senator from Kentucky [Mr. COOPER], my colleague [Mr. KEATING], and the Senator from California [Mr. KUCHEL].

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out section 1716, and insert in lieu thereof the following:

"CHOICE OF BENEFITS

"SEC. 1716. (a) Any individual entitled to health insurance benefits under section 1705 may elect, in lieu of the health insurance benefits provided in other sections of this title, to receive payment of insurance premium benefits.

"(b) For the purposes of this section 'payment of insurance premium benefits' means payment to the insurance carrier of premiums on a private health insurance policy of which such individual is the beneficiary, but such payment shall not exceed $100 per calendar year.

"(c) The term 'private health insurance policy' means a health insurance policy which (1) conforms with standards established by regulations promulgated by the Secretary, (2) is offered by an insurance organization licensed to do business in the State wherein such policy is offered, (3) is guaranteed renewable at the option of the insured individual, (4) provides benefits which the Secretary determines to be of a value which is not less than the value of the health insurance benefits provided in other sections of this title, and (5) provides that such organization will, after the expiration of the usual grace period, notify the Secretary of any lapse in payment of premiums on such a policy by any individual eligible to receive health insurance benefits under this title. Such term shall include, with respect to any individual eligible to receive such benefits, any group policy if (i) such policy otherwise conforms to the requirements prescribed by the preceding sentence, and (ii) such individual has been covered by such policy for a period of not less than one year immediately preceding the date he attains 65 years of age.

Mr. JAVITS. Mr. President, I give notice that I shall substitute another amendment for this one; and I ask unanimous consent that immediately after the morning hour tomorrow, I may proceed in accordance with the unanimous-consent agreement.

Mr. HUMPHREY. Mr. President, will the Senator from New York withhold his request for a moment?

Mr. JAVITS. Yes, Mr. President.

Mr. HUMPHREY. As the Senator from New York may recall, immediately after the morning hour tomorrow, the nomination of Matthew H. McCloskey, of Pennsylvania, to be Ambassador to Ireland, will be called up; that has already been ordered. Therefore, will the Senator from New York modify his request accordingly, so that following the vote on that nomination, the Senator from New York may proceed?

The PRESIDING OFFICER. Let the Chair state that the Parliamentarian informs the Chair that when the bill is laid down tomorrow, unless the Senator from New York uses the time available to him tonight, he will automatically have that time tomorrow.

Mr. JAVITS. And will I be entitled to recognition to speak upon my amendment at that time, before the recognition of any other Senator to speak on my amendment?

The PRESIDING OFFICER. As the Chair understands, under the unanimous-consent agreement the Senator's amendment is the pending business; and on tomorrow, if he then seeks recognition, he will be entitled to it.

Mr. JAVITS. As soon as the unfinished business is laid before the Senate?

The PRESIDING OFFICER. Yes.

Mr. JAVITS. Mr. President, I thank the Chair; and I announce that I wish to proceed in that way. I gather that that has the concurrence of the acting majority leader.

Mr. HUMPHREY. Yes.

Mr. President, I appreciate the action of the Chair in clarifying the situation, so that the Senator from New York fully understands his rights under the agreement. As I understand, after the Senate acts tomorrow on the nomination of Mr. McCloskey to be Ambassador to Ireland, the Senator from New York will be entitled to the floor.

The PRESIDING OFFICER. Yes; after the Senate acts on that nomination and after the unfinished business is laid down, the Senator from New York will then be entitled to address himself to his amendment.

ORDER OF BUSINESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the brief time I wish to use now in submitting two statements for the RECORD not be charged to the time available to either side under the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

INTERNATIONAL TRADE

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate an article from the July 3 issue of the Washington Post. The article, written by Walter Lippmann, is on international trade. Mr. Lippman foresees the imminent entry of the United Kingdom into the European Common Market and the proposed trade bill as the first steps toward a new era of freer trade for the non-Communist world. While this potential economic unity of the West could have the widest beneficial effects, it would place great strains on our present system of international monetary exchange. Excessive gold flows and currency speculation presently plague the

West's economic growth. Yet, the fear of gold-reserve loss must not prejudice long-term oversea investment and the maximal allocation of our resources.

Just as the Federal Reserve System was initiated to provide monetary stability and flexible control to our Nation's currency, a modern method of international monetary exchange must be instituted if the free world is to achieve its full economic potential.

I commend Mr. Lippmann's article to my colleagues, and ask unanimous consent to have it printed in the RECORD at this point in my remarks.

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

THE WORLD AND THE DOLLAR

(By Walter Lippmann)

With its impressive vote on the trade bill, the House has made a far-reaching contribution to peace and prosperity. The bill should now go through the Senate without crippling amendments, and the country will then have equipped itself to deal with coming events in Europe.

It is now fairly certain that M. Jean Monnet and the friends of an enlarged and liberal Common Market are prevailing over the advocates of an exclusive and restrictive Franco-German Europe. The aspects have become good that the Six will come to terms with Great Britain. If so, we shall in the not too distant future be negotiating for a low-tariff trading area comprising in various arrangements the non-Communist world.

It is probable that this creative movement in the Western World will acquire a momentum that will soon carry the transatlantic partnership to a critical problem that will have to be solved in the near future. It will have to be solved if the enlarged trading arrangements are to work. The expanding world economy must have a more stable and a more nearly adequate world currency.

In order to do away with the chronic exchange troubles that now plague sterling and the dollar, there will have to be some kind of international reserve system that does for the world economy what our own Federal Reserve System does for our own national economy.

It has become increasingly evident that the gold withdrawals and the so-called vulnerability of the dollar are an international problem that could not be solved, even theoretically, by the United States alone. This is not a new discovery. It was foreseen by financial experts during the war, and it has been discussed actively here and abroad since the first serious gold crisis at the end of 1958.

M. Monnet and his colleagues have been at work on it for a long time, and there is already in existence highly effective common action by the central banks to regulate gold movements. There is also discussion in Europe and in Washington that looks forward to the pooling of the monetary reserves of the Common Market and from there on to an arrangement with the United States.

We should begin now to prepare our minds for the effort of solving the international monetary problem. For while the skilled cooperation of the central bankers is dampening down speculative attacks against the dollar, there is no use hiding it from ourselves that in the financial markets of the world the dollar is regarded as vulnerable.

Between 1949 and 1960, foreign gold reserves and dollar holdings had risen some $27 billion, and of that amount the United States contributed more than $21 billion in the form of gold withdrawals and short-term liabilities convertible into gold.

The feeling in the financial market that the dollar is vulnerable arises from a realization that we are at the end of a period and of a policy. For some 13 years we have promoted European recovery and, as an essential part of it, we have carried out an immense operation for the redistribution of the excessive gold stocks that we accumulated during and just after the World War.

The operation to redistribute gold has had to come to an end because under the rules of the game, for good but transient reasons, as we chose to play it, it is a one-way street. Anyone, except an American citizen, who has American dollars can convert them into gold. On the other hand, an American citizen who has dollars or sterling or francs or marks cannot convert them into gold.

Under these rules of the game we have invested abroad, we have given aid and made loans abroad, we have stationed American troops abroad. All of this has placed dollars abroad that can be converted into gold on demand.

But if, for example, a loan is repaid, no gold can move from Europe to America. Until 1958 this worked well enough because we had such a very big stock of gold. But as the gold stock has been drawn down while the liquid claims have increased, the time has come when the claims to our gold are bigger than the supply of gold.

This does not mean, of course, that the United States became insolvent under President Eisenhower in 1958. Far from it. Our investments abroad are very much larger than our liabilities. But our assets are long term and they are not convertible into gold, whereas our liabilities are short term, are hot money, and under the rules of the game as we alone, except for Switzerland, play it, are freely convertible into gold.

The dollar is not vulnerable because President Eisenhower and President Kennedy, jointly or severally, are less virtuous and responsible than they should be. The dollar is vulnerable because we are attempting to operate unilaterally a gold exchange standard for the whole non-Communist world.

The time has come to share the burden by agreeing on a multilateral gold exchange standard. There is a need to put an end and there is an opportunity to put an end to the chronic exchange troubles in London and New York—with the overhanging threats of international deflation, or of exchange control, or of emergency restrictive tariffs, or of devaluation.

There is no imminent threat of any of these disasters. But because these disasters are not excluded by formal and public institutional measures—such as an international reserve system—we are entering what promises to be a period of greatly expanding world trade and of economic growth with unsteady nerves and with diminished confidence.

CAPTIVE NATIONS WEEK

Mr. HUMPHREY. Mr. President, this week marks the third anniversary of Captive Nations Week. Since the enactment of the joint resolution by Congress in 1959, Captive Nations Week has become an official event, to be observed with due solemnity throughout the country.

The nine European countries which constitute the captive nations have been subject to Soviet control since the end of the last war. In addition to these nations, with a population of 90 million, 17 million Germans in East Germany share a similar fate. Thus, more than 100 million Europeans who enjoyed freedom under their own sovereign and independent governments in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania, and in Germany before Hitler's rise to power, are today imprisoned in their homelands behind the Iron Curtain. These countries are the Soviet Union's satellites in Europe, and, though nominally independent, they and their citizens enjoy no more freedom than do the citizens of the Soviet Union. Caught behind a seemingly impenetrable and immovable Iron Curtain, the people of these countries look to the free West and to America for inspiration and for their eventual deliverance. On the third anniversary of Captive Nations Week, let us all hope and pray that the future holds freedom for all those imprisoned in their homelands.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, I do not believe there is other business to come before the Senate at this time.

Therefore, I now move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 10 minutes p.m.) the Senate adjourned until tomorrow, Thursday, July 12, 1962, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

Record of Alexander Wiley, U.S. Senator

EXTENSION OF REMARKS

OF

Hon. EVERETT McKINLEY DIRKSEN

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Wednesday, July 11, 1962

Mr. DIRKSEN. Mr. President, a U.S. Senator, elected by the people, responsible to the people, finds it necessary from time to time to report upon his record of service. For 23 years the distinguished senior Senator from Wisconsin [Mr. WILEY] has served the citizens of Wisconsin and the Nation in the U.S. Senate. During this tenure he has voted for and against many pieces of legislation, supported or opposed causes, as he felt best would serve the interests of the people and the Nation.

Realistically, a résumé of 23½ years of service, involving literally thousands of such actions, can only touch upon the highlights. Nevertheless, I request unanimous consent to have a brief summary of the service of the senior Senator from Wisconsin printed in the RECORD.

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

WILEY—SENIOR REPUBLICAN, U.S. SENATE

As the senior Senator from Wisconsin, Senator WILEY is now senior Republican of the U.S. Senate. In addition, he serves on the following committees: (1) Aeronautical